

a very serious matter that three Congressmen were burnt alive in Panipat. The Minister should have made a statement yesterday itself but I am sorry there is no statement even today.

SHRI ATAL BIHARI VAJPAYEE (Uttar Pradesh): We are concerned that three Congressmen, reputed Congressmen, were burnt alive in Panipat but any statement on that incident will be incomplete if what happened before that incident is not mentioned by the Minister. The newspapers have blacked out the news that the police officer killed a young man shooting at point blank range and that precipitated matters.

(Interruptions)

MR. CHAIRMAN : If the statement is made you can ask for clarification and amplification.

j SHRI ATAL BIHARI VAJPAYEE : We would like the Government to make a statement but the statement should not be one-sided.

MR. CHAIRMAN : I do not think you should tell the Government what they should say. If and when they say something if you want some amplification or clarification you can ask for it.

PROF. M. B. LAL (Uttar Pradesh) : I wish to say that there is need of a statement on the recent happenings in the Punjab as a whole and special mention needs to be made of the burning of the three persons in the shop along with the shop when the owner of that shop refused to close the shop. While the citizens have every right to organise a hartal against a decision of the Government, the citizens are bound to give the same right to other citizens not to follow their advice. Violence is not to be resorted to by a citizen against another citizen even when some police officer has resorted to an action which is not proper.

MR. CHAIRMAN : I have received the notices and I have passed them on. I am sure a statement would be made very soon.

THE BUDGET (GENERAL). 1966-67 GENERAL DISCUSSION—continued

SHRI BABUBHAI M. CHINAI (Maharashtra) : Mr. Chairman, I am grateful to you for accommodating me this morning and allowing me to speak on the General Budget in view of the fact that I am not keeping well for the last two days.

The Finance Minister has presented a correct appraisal of the economic conditions of the country and appropriately described the objectives the Budget has to serve. No doubt, as indicated by him, some of the difficulties such as inadequate performance of the economy, sluggishness of the capital market, the pressure on the balance of payments and the rise in the prices of essential commodities have been with us for a number of years. It is necessary that budgetary and economic policies should be so framed as to reverse these adverse trends. The Finance Minister has also acknowledged the role of the private sector and the capital market in the building up of the economy. The point is whether the Budget proposals are in consonance with the objectives which he has admirably adumbrated. True, the Finance Minister has abolished the expenditure tax and tax on bonus shares. Further, he has modified the tax on dividends by exempting them up to 10 per cent, of dividends on paid-up capital, rationalised gift-tax by abolishing some of its unfair features and has reduced the surtax. He has provided for a straight reduction of a specified percentage from assessable profit and thereby simplified the system of tax rebate for essential industries given by his predecessor. He has also raised the exemption limit in respect of annuity deposits. To the extent they go, they are welcome indeed. However, the major tax proposals relating to personal and corporate taxation run counter to the objectives of the Finance Minister. The imposition of a surcharge of 10 per cent, on earned and unearned income on all non-corporate assessees is calculated to yield Rs. 25.64 crores. The enhancement of the basic corporate tax will net in Rs. 43.46 crores. Even after taking into consideration the relief of a

[Shri Babubhai M. Chinai]

selective nature to both corporate and non-corporate assessee the net increase works out to Rs. 22.14 crores in the case of non-corporate assessee and Rs. 36.07 crores in the case of the corporate sector or a total of Rs. 58.21 crores in direct taxes.

THE VICE-CHAIRMAN (SHRI M. P. BHARGAVA IN THE CHAIR)

At a time when the capital market is in bad shape, these measures would only worsen the situation. As it is, taxation has reached a level at which it breeds inflation and causes reduction in tax receipts. The Budget for 1965-66 estimated Rs. 371.60 crores from corporation tax and Rs. 291.50 crores from income tax. As against this, the revised estimates are Rs. 330 crores and Rs. 260 crores, respectively. Thus, there is a shortfall of over Rs. 70 crores in tax receipts, nearly 11 per cent, proving that the law of diminishing return has set in sharply. In fact, taxation has risen more than four times as fast as total national output. India was the highest taxed nation in 1964-65 and would continue to be so this year. Last year, the companies in this country paid tax which went up to 74 per cent. Under this year's Budget some of them would pay tax up to nearly 80 per cent. The liability of individuals on unearned income would go up to 90 per cent.

Generally taxation is regarded as anti-inflationary, but there is a limit beyond which it may set in inflation. The value of money went down by 8.7 per cent, in 1964-65 and 10 per cent, in 1963-64. True, inflation in a developing economy up to a certain extent may be advisable, but beyond a particular point it has an inhibiting effect on output. Deficit financing, which is another form of taxation, concealed taxation for that matter, also had a serious effect, inasmuch as it has generated money income without increasing output. The point now is whether this further dose of taxation could not have been avoided. It appears to me that a two per cent, reduction in Government spending and five per cent, cut in Central Government

advances to States could have been made to enable the Centre to recover over Rs. 110 crores. The capital market can be revived only if there are substantial reductions in taxation, which will enable the people to save and invest.

A scrutiny of the capital disbursement discloses that nearly Rs. 345 crores would be made available to public sector enterprises, excluding departmental undertakings. So far, nearly Rs. 1,200 crores have been invested in the share capital of these enterprises. But what is the rate of return? Not more than 1½ to 2 per cent. This clearly reveals that capital has been wrongly invested, i.e., invested in projects and activities which either do not result in rapid economic growth or has been badly managed. Output has been far less in relation to capital and costs have been far higher than international prices. Public sector enterprises have become merely showpieces and uneconomic. The excessive Government expenditure has resulted in inflation which has begun to act as a drag on the economy and affect growth adversely. In this connection, I would like to quote the remarks of Prof. Colin Clark, the famous economist.

श्री खंडूभाई कसनजी देसाई (गुजरात) :
वह कहाँ का है ?

SHRI BABUBHAI M. CHINAI : He is from the U.K. He says that public expenditure does not become productive merely because it is being described as investment. Elaborating this point, he observes :

"There is not only the direct waste of projects designed on insufficient information, or mismanaged by bureaucratic over centralisation, or inspired by political calculation and manoeuvre. There is also the indirect waste following from taxation, rising prices. Government controls, and other measures intended to stimulate investment, all of which damage the rest of the economy by distorting production, impairing incentives to work or save, and erecting a costly apparatus of officialdom."

i One wonders whether Prof. Clatk had India in mind when he elaborated this point, but precisely this is what is happening in India. Money is collected through taxes and borrowing. Taken together with deficit finance, these constitute a large dent in the finances of the nation. There is no doubt that a reduction in taxation to a reasonable level, will stimulate growth all round. It is not only total capital accumulation and investment that is the most important factor in growth, but the pattern of capital formation and expenditure. The efficiency or otherwise with which capital is invested and managed also decides the level of development. The planners' pre-occupation with the size of the outlay, to the almost total exclusion of the qualitative factors affecting growth, is an unfortunate thing in this country. In the context of the present unhappy economic situation, these attitudes must change. Otherwise, the depressing performance of India over the past decade would be repeated all over again.

Now, I will take the specific proposals. As regards indirect taxation, the impact of the new excise duties on cotton yarn and cloth would prove burdensome to both industry and consumers. The problem has to be looked at specially in the context of the overall stock position in the cotton textile industry. As is known, since the last six months or more the industry is facing an unprecedented problem of monetary stringency and several factors have combined to aggravate the situation. Even at the end of January 1966 the stocks amounted to nearly 3,31 lakh bales (each bale is 1500 yards). The stock position has to be viewed in the context of the lower production of cotton textiles in the year 1965 as compared to 1964. In other words, even with a relatively small production, stocks are much higher than they were in the corresponding period last year.

In a situation like this, it passes my comprehension as to how it is advisable to increase excise levies which will restrain demand and create further problems due to increased accumulation of stocks.

I understand that the total burden of excise levies and cesses on the finest fabrics *viz.* sanforised will amount to about 97 paise per square metre if effect is given to the budget proposals. The tax component on certain varieties may thus amount to over 50 per cent, of the point of manufacture and it is a moot point to consider as to whether an industry which is passing through a critical period should be asked to bear such a heavy burden.

I would also like to submit that it would be inappropriate to proceed on the assumption that the increase in excise duty would not be borne by any excepting the consumers in the higher income groups. Today fine varieties of fabrics are purchased by all sections of the public.

SHRI KHANDUBHAI K. DESAI : Is the fine variety being produced so much that all sections of the public use it?

SHRI BABUBHAI M. CHINAI : My friend who is associated with the textile industry for a long time does not know the distinction between fine and superfine varieties.

SHRI KHANDUBHAI K. DESAI : I know.

SHRI BABUBHAI M. CHINAI : Superfine variety I know is of a very negligible quantity, but so far as fine variety is concerned, it is nearly 14 per cent, of the total production of this country.

The proposal for increased tax burden has also to be viewed in the light of the scheme of voluntary levy on imported cotton that has been devised by the industry in consultation with Government. As is known, this step is intended to subsidise exports. The net result, however, will be that with the enhancement of excise duty along with the voluntary levy by the mill industry, the price rise would be considerable. The average consumer would not realise the element of tax and other components in

[Shri Babubhai M. Chinai]

the price and would blame the mill industry and the industrialists for high prices.

I, therefore, strongly feel that the additional levy proposed in most inopportune and if not withdrawn will create additional problems for one of our most important industries which, as you know, is passing through a most critical period.

My submission, therefore, is that the proposal for increased excise levy on cotton textiles and yarn should be reviewed and a move initiated towards decontrol of cloth beginning with decontrol on superfine fabrics.

Secondly, I wish to refer to the excise duty on straw boards. The Finance Minister has gone some way in 'rationalising' the duty concessions with a view to reducing disparities in the quantum of relief admissible to different units which commenced production at different periods. However, even now there is an element of discrimination between old and new units, the later attracting a higher incidence of duty. I for one do not understand as to why the units that have come up before 9th November, 1963—I do not know what is the sanctity of this date—should, enjoy a favourable treatment vis-a-vis the new units. I would strongly suggest that all the units should be put at par by reducing duty on new units.

Thirdly, there is the proposal to increase the rate of sales tax on inter-State sales by 50 per cent, which has to be examined in the light of its effect on the cost of production of various goods. These costs would go up substantially by reason of the fact that not only the finished goods but the various spares, components and accessories which are required in the manufacture of a finished product will all be subjected to increased rate of taxation. Such a situation, apart from militating against the effort to hold the domestic price line, will particularly have an adverse effect on the competitive capacity of our various goods and products in the export markets.

I would also like to draw the attention of the House to the hardship caused to the goldsmiths by the continuation of the Gold Control Act. Although the object of the Act was to reduce smuggling and conserve gold supplies, in actual fact, the scheme has miserably failed to achieve its objectives and on the contrary has caused undue hardships, in some cases with fatal results to artisans engaged in the gold, manufacturing trade. Further even now gold is available in any quantity 'at a price'. Therefore, the Act which remains only on paper and in name should now be scrapped for all practical purposes.

To sum up there are two important objectives to be achieved. One is to revitalise the capital market and the other to keep the price line. As regards the former it is necessary to reduce the burden of taxation both on corporate and non-corporate assesseees. Further all steps should be taken to see that money is freely available for productive purposes. In this connection I would suggest:

- (a) Surcharge on income tax especially in regard to earned income should be abolished.
- (b) Corporate tax on public companies should be reduced from 55 to 52.4 per cent, and private companies from 65 to 62.1 per cent.
- (c) Bank rate should be reduced so that the cost of credit to the corporate sector is within reasonable limits,
- (d) Finally, expenditure on non-developmental projects should be curbed to the maximum extent.

As regards keeping the price line it is necessary that excise levies on important consumer goods should be reduced to reasonable limits :

- (a) For instance excise on cotton textiles should be reduced, and if that is not possible, control on superfine cloth should be abolished.

- (b) Inter-State sales-tax should be fixed at a reasonable level.

Further I also feel that the Gold Control Act should be abolished so that the hardships of the artisans engaged in gold manufacturing trade is reduced.

Before concluding I would like to make a reference to clause 15(bj) of the Finance Bill which provides that a contract for a deferred annuity on the life of the assessee which contains a provision for the exercise by the insured of a cash option in lieu of an annuity will also be regarded as a contract eligible for rebate of income-tax. But since the amendment is being given only prospective effect, persons who look insurance policies on the assurance given by the Life Insurance Corporation of India that the rebate of tax would be available are being put to loss which is not fair. Therefore, I request the Finance Minister that he should give a retrospective effect to this clause. Thank you.

SHRI GOPIKRISHNA VIJAI VARGIYA (Madhya Pradesh) : Mr. Vice Chairman, I rise to support the Budget presented by our present Finance Minister, Shri Chaudhuri. The current year's income is expected to be Rs. 2,469 crores and the expenditure of the current year is to be Rs. 2,187 crores. Thus this year's account will show a surplus of Rs. 282 crores. Taking the capital budget also the deficit will be Rs. 165 crores.

For the coming year's budget, the income is estimated at Rs. 2,617 crores and expenditure at Rs. 2,407 crores. Thus there will be a surplus of Rs. 209 crores. Now taking also the capital budget the deficit is estimated to be Rs. 117 crores. This year we have new taxation of Rs. 101 crores.

The last few years have been years of great stress and strain. In 1962 we witnessed massive attack by China. In 1965 we had infiltration and aggression by Pakistan culminating ultimately in the Tashkent Declaration. Though Pakistan have declared that they will not use force. I am very doubtful that they would remain peaceful. We cannot slack-

ken our vigilance against these two neighbours. This means that our defence measures have to go on.

The second point is that the failure of the monsoon and the failure of two crops have hit the entire economy very much and have upset our planning and our entire budget.

The third difficulty is that the foreign countries have stopped their aid during this time. Although all these difficulties are temporary ones there are many political parties and even some of our own partymen who have begun to become pessimistic and a kind of crisis of confidence, a crisis of self-confidence, has grown in them. Although this year's failure of monsoon was a very unprecedented event, we hope that we shall tide over the difficulties with courage. We should not lose courage at all. That is my thinking. There is an old saying in Sanskrit—

विपदि धैर्यम् अथः अभिवृद्धय क्षमा

That is, even in distress we should not lose courage. The Finance Minister, in fact, had very little time to prepare his Budget and still, within a very short time, he has been able to present a realistic Budget and for that he deserves congratulations. But the main point is, although the situation is difficult, we should not lose courage, we should not lose faith and confidence in our own principles.

About the ideologies and principles of the Congress and of our Congress Government, I am of the opinion that we should not give up the objective of socialism. Our socialism is of a pragmatic type, it is not of a dogmatic type at all. We cannot give up the principle of serving the poor, of raising the living standards of millions of our countrymen and of leading them towards an egalitarian society; we should not encourage concentration of wealth in a few hands to the detriment of the society. Pandit Nehru used to say that in this country of 500 millions, the circumstances are such—ours is an underdeveloped country also—that socialism alone can be the principle that we can adopt. In this year when two crops

[Shri Gopikrishna Vijuvargiya]

have failed, it is very natural for the Federation of Indian Chambers of Commerce and Industry which met recently or for parties like the Swatantra Party to begin a propaganda of failure of planning or of ideology. Recently, the FICCI has demanded for the removal of all controls and restrictions and resorting to a kind of *laissez-faire* policy. I see among those people only a failure of their self-confidence which is very bad at this juncture. Let us hope that nature which has failed us this year will not fail us in the coming year and that our crops will be good. Only the other day in this House Shri Subramaniam, the Food Minister, explained to us how during these difficulties some perverted political parties were misusing the natural crisis to create confusion, chaos and violence in the country. He also enumerated that he was going to take steps to improve the situation, to improve our food position and agricultural production, and Sri Subramaniam made it clear that he wanted to revolutionise agriculture by new science, by new technology and by the science of genetics side by side thereby multiplying the grain yield very much. Let us hope that we shall tide over this difficulty and we shall not lose confidence in our own principles. Then we shall have enough money and resources to meet our defence commitments and go on with our development.

Sir, a very noted economist, Prof. K. N. Raj, of Delhi has delivered very thoughtful lecture* in January, 1965. They are a year old no doubt but he has very ably argued that the economic picture of planning in India is not so gloomy, that the failure of the monsoon is only a temporary phase, and he has argued that pessimism is not at all necessary. He has compared Indian economic growth with that of Japan and China and has pleaded that we should not depend entirely on foreign assistance and should have self-reliance. Self-reliance was the slogan given by our late Prime Minister, Shri Shastri, and our present far-sighted Prime Minister, Indiraji, has also stressed this term 'self-reliance'.

I want to warn about one policy matter also. Inviting some foreign capital is good for India but inviting too much of foreign private capital will not be good for us. This will also be against the principle of self-reliance. The Finance Minister in his Budget has given importance both to defence and development. Both are imperatively needed for our country. He has provided Rs. 797 crores for the Defence Services and for the Plan outlay he has provided Rs. 2,081 crores. He says that he has tried to keep the Government expenditure as low as possible. But I wish that he should have reduced Government expenditure still further.

Sir, I have been in this House for the last 12 years and I have been an ardent supporter of planned development. But every year I have also been telling that we should improve the administrative machinery. If there is corruption and delay in administration, no scheme, either capitalist or socialist, can succeed. Under the leadership of the late Shastriji, it was good that we could amend article 311 of the Constitution which deals with the services, to improve the administration. Also Shastriji and Nandaji established an Administrative Reforms Department. And the Administrative Reforms Commission has been established under Morarjibhai. I was a member of the Consultative Committee on Administrative Reforms and I can say that this is a very important reform. I think we should radically change the administrative system.

Sir, I would like to thank the present Government and the Present Prime Minister for having enunciated steps for a Punjabi Suba—I am touching a very controversial point here—on the basis of language. If those who had not accepted partition were to devote their energies to persuade all people to accept the Punjabi language, the whole Punjab, as it is, can remain as one unit. I, however, strongly deprecate any disruption of the social relations between the Sikhs and the Hindus and any violence. Unity of heart is very much necessary today. The Prime Minister, Indiraji, has rightly analysed that this is a pre-election year.

and that the various parties are trying to become popular. But violence, looting, arson, destruction of Government property, all these are not good methods of becoming popular. These are all methods that will destroy the administration of the country and our democracy and our Constitution. I am one of the builders of the Constitution in India and as a member of the Constitution Assembly, I wish that every citizen of our country treated the Constitution as a sacred thing. We can carefully amend it but should not destroy it. All the citizens in the farflung States and on our borders like Assam, the Mizo Hills, etc. are brethren. I would appeal that they should appreciate the freedom and the fundamental rights and the present federal system of Government enunciated by our Constitution. While keeping the States intact, a stable Government with sufficient powers at the Centre is there and they should adopt a constructive mind and there should be unity of mind, not a disruptive mind, in this great Republic of ours. It is a matter of the highest glory and pride for us that we have a Republican Constitution, a secular Constitution and also that at present an intelligent and capable lady is the head of our Government. To make a lady our Prime Minister is a symptom not of weakness but it is a proof that we are a very highly civilised people in this wide world. I would appeal that every Member of both Houses of our great Parliament should leave out all prejudices and give full co-operation and support to Shrimati Indira Gandhi and make her a complete success in her difficult task and her great burdens.

I have to say one more point. I come from Madhya Pradesh and in the formation of the new Madhya Pradesh, I have played some important role. Madhya Pradesh is really like the heart of India and should be made strong. In every Budget speech of mine I have been appealing to the Central Government to give more substantial help to improve agriculture, to improve industry and to improve the conditions of backward people in my State and to improve the communications. I endorse all the

various demands made on behalf of our Members of Madhya Pradesh who have dealt with these in detail and request that the Central Government should heed the demands of Madhya Pradesh.

One more point, Sir, and I have finished. Shri Tulsidas Jadhav has made a suggestion in the other House for setting up a National Board for Freedom Fighters. I think that such a Board should be formed at present. The old freedom fighters are in great difficulty. They cannot get even medical treatment. Therefore, this kind of Board is very necessary. For the Budget I give my wholehearted support.

SHRIMATI MOHINDER KAUR (Punjab): Mr. Vice-Chairman, Sir. I congratulate the Finance Minister for having resisted the temptation to burden the country at this juncture with deficit financing. I wish I could say something about his counterparts in the States. Most of the State Budgets this year, Sir, have been deficit Budgets having resorted to deficit planning. It is not a healthy sign. It is a very bad trend because the ultimate responsibility to make good the deficit financing in the States falls on the Central Government and it is, therefore, that the Central Government has to resort to public borrowing and raising public loans. They have to resort to heavier measures of taxation which is bad. I feel the State Governments should not be encouraged in that respect.

Sir, a welcome feature of this year's Budget is that, contrary to expectations, the Defence Budget has not gone up very much; it has only increased by Rs. 29 crores which is nominal. But I must say that certain aspects of the Budget have left me with a sense of disappointment. I will come to the Expenditure Tax. The reasons that the Finance Minister has given for abolishing this tax are not very convincing. First of all, in principle it is wrong to reverse the measures taken by his very able predecessor without giving them a fair and reasonable trial. After all, the tax was there only for two years and for the Finance Minister to have come to the conclusion that it is not commensurate with the administrative cost involved is

[Shrimati Mohinder Kaur]

not very convincing because the period is much too short for him to have come to this conclusion.

Secondly, the reason, as I understand it, why this tax was ever introduced in this country was very different from the reason that the Finance Minister has stated for abolishing this tax. As I understand, the first primary object of introducing the Expenditure Tax in this country was to plug loopholes against tax evasion such as Wealth Tax, Estate Duty, Income tax, Gift Tax. Now we are removing this plug by abolishing this tax. The reason that the Finance Minister has stated for its abolition is that the loss of revenue would be Rs. 60 lakhs only. I do not agree with him. Indirectly there will be a much greater loss to the exchequer.

The second reason for having introduced this tax in this country was to stop unproductive and ostentatious spending. By removing this tax we are going to encourage unproductive and vulgar display of wealth by the wealthy classes in a country where millions of people, our countrymen, do not even get two square meals a day.

Now, Sir, the loss of revenue from the abolition of Expenditure Tax and the various concessions that the Finance Minister has given to the corporate sector have gone a long way in preventing an additional burden that is placed on the common man by increasing the excise duty on essential commodities like sugar, cloth and diesel oil.

Sir, I do not find any justification for the hon'ble Finance Minister to have raised the excise duty on sugar when the country is faced with acute food shortage and in a country like India where the average calorific consumption is very poor—it is one of the lowest—sugar is the main energy-giving source. There was no reason for him to have increased the excise duty on sugar when we are surplus in sugar. We are producing (thing like 33 lakh tonnes of sugar in this country whereas our consumption is only 28 lakh tonnes. We are left in this country with a surplus of 5 lakh

tonnes. I feel that the proposed increase in excise duty on sugar is not justifiable at this juncture.

Now, Sir, I will come to diesel oil. On this subject I have been pleading since long and my pleading has been a cry in the wilderness. Last year too, speaking on the Budget, the hon. Finance Minister at that time had given an assurance to this House that he will try and devise some ways and means of providing to the farmers diesel oil at a subsidised rate. Nothing has been done to that effect. We feel disappointed because in this country, when we are faced with acute food shortage and we are making every conceivable effort to overcome that shortage, are we only paying lip sympathy to agriculture? What are we doing in practice? Are we giving the farmer adequate incentive? I shall tell you presently what is happening. Come to my State of Punjab. We have got over 23 lakhs of farmers and 10,000 tractors. The average consumption for these 10,000 tractors is 20 million litres of diesel oil. Then we have similarly 15,000 diesel engines which are used for lift irrigation purposes. The approximate consumption of these 15,000 diesel oil engines is 20.7 million litres. So the total approximate consumption of diesel oil in Punjab for agricultural uses comes to something like 40.7 million litres. This additional duty that the Finance Minister has proposed on diesel oil is going to place an additional burden on the Punjab farmers to the tune of Rs. 30.5 lakhs. I have quoted all these figures to you because I would like the House to consider the burden it is going to place on the farmers of the country and how it is going to hamper his enthusiasm to take to mechanised farming. Unless the farmer takes to mechanised farming, unless the farmer takes to modern agricultural methods, we cannot increase production in this country. Mere speeches, mere slogans or appeals are not going to overcome this problem. We have to take proper steps and give every conceivable concession to the farmer.

As I told you, in my State the consumption of diesel oil by the farmers is 40.7 million litres. Even that is not

available and the cost of oil somehow is not commensurate with the produce that the farmer gets out of the land. Then how will he use this diesel oil ? Th-result is that some of the farmers have started using mixture of kerosene and mobiloil which is a great national loss because it shortens the life of the engine. I feel, Sir, that if the Finance Minister does not scrap this duty, we are neve* going to overcome this food shortage in the country. After all, what the Finance Minister proposes to get by way of this duty is only Rs. 5.35 crores. Is it worth it—all this trouble ? In all humility I shall plead with the Finance Minister not to put this additional burden on the farmer at th's stage and to scrap this proposed duty;

1 P.M.

I do not see any serious attempt being made in this Budget to curtail civil expenditure. When the Finance Minister calls upon the people of this country to tighten their belts, what has he done ? After all the Government must come forward and set an example by curtailing the civil expenditure. I do not see any serious attempt being made and I will very humbly submit to the Finance Minister that he must come and set an example to the people by curtailing the civil expenditure and there is certainly a great need for economy there.

Again, summing up what I have said, I shall again appeal to the Finance Minister to scrap this duty on sugar at this stage as well as to scrap the duty on diesel oil in the interests of the agriculturists of this country because if it is not done, it is going to have a very depressing effect on the agricultural economy of this country. I shall humbly submit to the Finance Minister to again reconsider his proposal for abolishing the Expenditure Tax because I feel that the reason he has stated for abolishing this tax is not satisfactory. Perhaps the: Fnance Minister did not have sufficient time to go into all aspects of it. So he should take his time and reconsider it. I very humbly make this submission.

THE VICE-CHAIRMAN : (SHRI M. P. BHARGAVA): The House stands adjourned till 2.30.

The House then adjourned for lunch at two minutes past one of the clock.

The House reassembled after lunch at half-past two of the clock, the VICE-CHAIRMAN (SHRIMATI TARA RAMACHANDRA SATHE in the Chair.

PROF. SATYAVRATA SIDDHANTALANKAR (Nominated) : Madam Vice-Chairman, the Finance Minister deserves to be congratulated for having presented the Budget in an extraordinarily short time. He had hardly two months at his disposal and judging the stupendous task he had before him, he has acquitted himself creditably.

The Budget is generally criticised for levying of fresh taxes but we must realize that in a developing economy, taxes are inevitable. If the national and *per capita* income are increasing the nat on must pay for the developing economy out of its increased income for it is the developing economy that increases the nation's income and it is out of that income that we pay for the development of the economy.

Now ihe figures from 1960 to 1965 both the national income and *per capita* income clearly show that the nation as well as the individual are moving towards affluence. The figures for national income at 1948-49 prices are :

| Year | National income | | |
|---------|-----------------|----|---------------|
| 1960-61 | .. | .. | 12,730 crores |
| 1961-62 | .. | .. | 13,060 .. |
| 1962-63 | .. | .. | 13,310 .. |
| 1963-64 | .. | .. | 13,910 .. |
| 1964-65 | .. | .. | 14,910 .. |

Compared to 1960-61, the national income has increased to 2,200 crores and compared to 1963-64, in one year, the national income increased to 1,020 crores. With such an increase in the national income it does not lie in our mouth to say that taxes should not bi increased. The figures for the increase

, [Prof. Satyavrata Sidhantankar]
of *per capita* income at 1948-49 prices
are as follows:

| Year | Per capita income |
|---------|----------------------|
| 1960-61 | 293.2 |
| 1961-62 | 204.3 |
| 1962-63 | 293.4 |
| 1963-64 | 299.8 |
| 1964-65 | 314.4 |

In *per capita* income also, compared to 1960-61, the increase in 1964-65 has been to the tune of 21.2.

So if the national income has increased and the *per capita* income has also increased and we have to maintain the tempo of the developing economy, then fresh taxes have necessarily to be imposed.

Besides, we have been faced both with external aggression and internal disturbances. Situated as we are we are bound to increase our defence budget. The country cannot take any risk's now, and so compared to 1964-65 when our defence expense was Rs. 805.80 crores, in 1966-67 it stands at Rs. 918.27 crores, that is Rs. 113 crores more than the previous budget. This I think is very legitimate increase and the Finance Minister cannot be criticised for it.

So if the economy has to be a developing economy and defence has to be a *sine qua non*, then how to meet all this expense if not by extra taxes? These taxes must be on luxury goods, on goods which primarily concern the rich and not the poor. This is as evident as the daylight. Taxes on match boxes, kerosene oil and diesel oil will and do affect the poor, there is no doubt about it. In their place taxes must be imposed on all such goods which are primarily and exclusively used by the rich and for luxury. For, though national income has increased and *per capita* income has also increased, still the rich have grown richer and the poor have grown poorer. The

poor man in our economy is still underfed, he is still underclothed, he is still unsheltered. Any tax which affects the underdog of our society is an unfair tax. We must seriously consider as to where the increase in national income has gone, for though there was an increase in national income in 1962-63 as compared to 1960-61, the increase being from Rs. 12,730 crores to Rs. 13,310 crores, still the *per capita* income in 1960-61 and 1962-63 remained practically the same. This means that the nation as a whole gained whereas the individual as an individual did not gain. But, how is it possible that the total income of the nation increased by Rs. 580 crores but the *per capita* income stood standstill? This could be possible on the assumption that though the income of a few individuals increased still the income of many many others decreased. Now this is not a healthy sign, of our economy. In a socialistic society it is from the bottom that the levelling up must start. Unfortunately the man upon whom the social structure is being raised is economically in a ruined state, foodless, clothless, shelterless, forgotten by the society and forgotten by the Finance Minister. To whom has the affluence of the nation passed? The answer to this query is to be found in the pages of the Report of the Monopolies Enquiry Commission. The Commission has opined that the economic power has concentrated in a few hands. In terms of total assets owned, the Tata group with 53 companies possessing total assets of Rs. 417 crores tops the Birlas owning 151 companies possessing total assets of Rs. 292 crores comes next. So, with our economic policies we are faced with the paradox of the income increasing and *per capita* income increasing in the case of Tatas and Birlas, but decreasing in the case of the millions of the people for the betterment of whose lot we are never tired of proclaiming from housetops that ours is a socialistic state. These thoughts are worth cogitation by the Finance Minister. This Budget reflects and affects the economy of the country as a whole. For an economy to be a sound economy it must be a self-generating economy. By self-generating economy I

mean that it must pay its own way. Our total capital investment in all public sector undertakings including departmental expenses at the close of 1965-66 was said to be about Rs. 4251.50 crores. As against this, profits and dividends from these undertakings were placed at Rs. 44.53 crores, giving a return of 1.05 per cent.

How can an economy giving a return of 1.05 per cent, be a self-generating economy? I do understand that these figures are not very reliable and these figures are also pliable, but the fact remains that our public sector undertakings give us much less yield than we get from private sector undertakings where the stake is personal. So long as our economy does not become self-generating and self-supporting, the economy will always be in a bad way. Our economic structure mainly rests upon loans and debts for which we have to pay exorbitant interest. In 1955-56 we were paying Rs. 91 crores as interest on loans contracted, in 1965-66 the amount of interest to be paid by us rose to Rs. 367 crores, and in the current financial year we shall have to pay Rs. 410 crores as interest. Now this is a danger signal to our economy. From one end we gain while contracting loans, from the other end we lose by way of paying huge interest. Unless these public undertakings are properly managed the nation will have to pay through its nose the debts contracted and the loans undertaken. The Finance Minister has said that the Budget is production-oriented. It is a very welcome statement. We want agricultural production. We want industrial production. The question is, whether in actual practice, shall we really have production stimulated? The Finance Minister can only offer finance. He cannot supply men who will have to deal with production. I tell you and tell you with all the emphasis at my command, that the administrative machinery that has to look after production is thoroughly, cent per cent., de-production-oriented. It is there to obstruct any effort that may accelerate production. For every industry, big or small, one has to deal with the Secretary, Joint Secretary, Deputy Secretary, Under Secretary, Section Officer clerk typist,

the peon at the gate, the receptionist, and all the rest. As soon as you enter this administrative set-up, the reaction of this whole army of de-production-oriented lot is: "Why have you come here? We have no time. The Secretary is on tour. The Joint Secretary is taking tea. The Under Secretary is on leave. The Deputy Secretary knows nothing of your case. The Section Officer will be able to meet you only after a month. If you wish, you can have a chat with the clerk and the typist, and go away cursing the day when you thought of embarking upon an industrial venture." If after moving like a shuttlecock from office to office, and Secretary to Secretary, for months and months, and years and years, you meet the right man who is responsible to help you, he will not say: "How can I help you?" He will tell you how he has been obstructing you, and how he will further continue obstructing you. This is the negative approach of our administrative suill. that is de-production-oriented, from whom you want production. I would suggest that, in every Department, the Minister concerned should himself study the case of every industry, keeping this army of de-production-oriented Secretaries and their retinue at bay, and inviting the representatives of the particular industry to state their case, and decide things in a day, things which at present are taking and—it is to my knowledge—have taken years and years, to the detriment of the nation's economy. If the Minister finds it too engaging a task, then I would suggest that in every Ministry, that is meant to be production-oriented, a Committee should be set up consisting solely of Members of Parliament, who should examine every case, purporting to augment the agricultural or industrial production of the country, which is lying buried in the gubernatorial files of these de-production-oriented red-tapists. De-productionism, which is the war-cry of departmentalism, has to be counteracted by counter-departmentalism to accelerate productionism. The Finance Minister, and every Minister for that matter, should send a green signal to everyone in his department that if a production-oriented and exchange-earning scheme is not instantaneously help-

[Prof. Satyavrata Sidhanta' inkat] sd, then the persons concerned, however Jig, will be sacked. Then only the Sudget will successfully be production-sriented; otherwise, it will end only in i tall talk.

With these words, Madam, I support the Budget.

श्री देवकीनन्दन नारायण (महाराष्ट्र) : आदरणीय उपसभाध्य महोदया, मैं तो इस बजट की ओर आम जनता की निगाह से देखना चाहता हूँ। हालांकि सरसरी तज़र से इस बजट को देखा जाय तो जहाँ तक डाइरेक्ट टैक्सेज़ का सम्बन्ध है, लगभग 20 लाख लोगों से उसका सम्बन्ध है। इंडास्ट्रियल टैक्सेज़ तो दो ही चार हैं और उनका भी सम्बन्ध देखा जाय, तो वह बहुत लोगों से नहीं है। परन्तु जो कुछ हों बजट का परिणाम आम जनता पर हुआ करता है और आज आम जनता की जो हालत है उसको देखते हुये यह कहना आवश्यक हो जाता है कि हम जनता के हित में बहुत कम कदम उठा रहे हैं। माननीय वित्त मंत्री जी ने शुरू में ही यह कहा था :

" The Budget of the Government of India is a major instrument for implementing our plans and policies."

मैं इस दृष्टि से इस बजट की ओर देखना चाहता हूँ कि इस बजट में जो सिफारिशें हैं वे कहां तक हमारे प्लान को और पालिसीज़ को आगे बढ़ाती हैं। हमारे प्लान का उद्देश्य क्या है? प्लान इन इटसेल्फ कोई उद्देश्य नहीं है। वह तो एक साधन है किसी साध्य का और हमारा साध्य यह है कि इस देश में हम सोशलिस्ट पैटर्न आफ सोसाइटी कायम करें। जब मैं इस दृष्टि से इस बजट को देखता हूँ तो मुझे कहीं भी सोशलिज्म की झलक तक इसमें नहीं मिलती। जब हम सोशलिस्ट पैटर्न आफ सोसाइटी को कायम करना चाहते हैं तो उसका पहला मंतव्य, उसका पहला काम यह होना चाहिये:

"To establish a socialist society, the foremost aim has to be the removal of poverty with all its attendant evils."

जब सोशलिस्ट पैटर्न आफ सोसाइटी को आप कायम करना चाहते हैं तो उसका पहला कदम और आखिरी कदम भी यही होना चाहिये कि हम इस देश की गरीबी को किस तरह से खत्म कर सकते हैं, किस तरह से मिटा सकते हैं। हमने स्वराज्य लिया तो वह भी इसी मतलब से लिया कि सारी दुनिया में इस देश से ज्यादा कोई गरीब देश नहीं था और स्वराज्य मिलते ही सब से पहले हम अपने देश की गरीबी को दूर करने की कोशिश करेंगे। परन्तु आज हम क्या देखते हैं, 18 वर्षों में क्या इस देश की गरीबी कुछ कम हुई, क्या बेकारी कुछ कम हुई, क्या गरीबों का लिविंग स्टैंडर्ड कुछ ऊंचा हुआ, इस निगाह से जब हम सोचते हैं तो सिवाय निराशा के और कोई बात नहीं मिलती। न गरीबी कम हुई, न बेकारी कम हुई बल्कि बेकारी तो उल्टे और बढ़ती जा रही है। हर एक प्लान के बाद बेकारी बढ़ी हुई नज़र आती है।

श्री रतनलाल किशोरलाल मालवीय (मध्य प्रदेश) : पापूलेशन भी तो बढ़ गई है।

श्री देवकीनन्दन नारायण : पापूलेशन तो बढ़ेगी ही। क्या आप पहले नहीं जानते थे कि पापूलेशन बढ़ने वाली है?

श्री रतनलाल किशोरलाल मालवीय : जितना सोचते थे उससे ज्यादा बढ़ गई है।

श्री देवकीनन्दन नारायण : नहीं, आप सोचना ही नहीं जानते। आप अच्छी तरह से सोचते तो आप को पता चल जाता कि पापूलेशन कितनी ज्यादा बढ़ सकती है।

मेरे कहने का मतलब यह है कि गरीबी हम नहीं हुई और बेकारी बढ़ रही है और गरीबों और भागवानों में जो विषमता है वह भी बढ़ रही है। यही नहीं है कि सिर्फ आदमी

आदमी में विषमता बढ़ रही है बल्कि क़रल यानी देहाती और शहरी में भी बढ़ रही है। ग्रामीण जीवन में और शहरी जीवन में भी विषमता बढ़ रही है और इस निगाह से जब मैं देखता हूँ तो मुझे इस बजट से निराशा होती है कि हम क्या करने जा रहे हैं। आप इस देश की प्रोग्रेस यदि आंकना चाहते हैं तो उसकी भी एक ही कसीटी है:

"Progress in our country is to be measured in terms of the success achieved in creating adequate employment and in ensuring for every family a minimum standard of the essential needs of life, such as food, clothing, housing, education and health."

इस निगाह से आप देखिये कि आप क्या कर रहे हैं और आपने क्या किया है। शहर में एक शहरी के पीछे जितना आप खर्च कर रहे हैं उस हिसाब से एक दशांश भी एक ग्रामीण मनुष्य के लिये या एक देहाती के लिये खर्च नहीं हो रहा है। जिसके कंधे पर आप बैठ कर चल रहे हैं उसको इतनी ताकत आप पैदा कर दें जिससे कि आपका बोझ उसके कंधे संभाल सकें। आप अपना स्वार्थ भी नहीं समझ रहे हैं और यह कह रहे हो कि देहाती को और कमज़ोर बनाते जा रहे हैं।

जहाँ तक बेकारी और गरीबी का सवाल है, आप इस बजट को देखिये इस बजट में भी आपने बड़े-बड़े उद्योगों को प्रोटेक्शन दिया है, प्रायरीटी इंडस्ट्रीज़ को रिबेट दिया है।

कुछ इंडस्ट्रीज़ को एलाउंसज़ दिये हैं, डेवलपमेंट एलाउंसज़ दिये हैं, परन्तु जिन उद्योगों से बेकारी कम होगी, जिन उद्योगों से अधिक लोगों को काम मिलेगा उनको आपने क्या दिया है? आप जानते हैं, आपका प्लान कहता है, आपके फाइनेंस मिनिस्टर और प्राइम मिनिस्टर कहते हैं कि छोटे उद्योगों को, ग्रामीण उद्योगों को प्रोटेक्शन देना चाहिए, परन्तु प्रोटेक्शन है कहाँ?

आप देखिएगा दो वर्ष पहले आपने खाने के तेल पर से एक्साइज़ ड्यूटी हटा दी, जो कि फैक्ट्री में, बड़े-बड़े कारखानों में तेल पैदा होता है। नतीजा क्या हुआ? नतीजा यह हुआ कि बेचारे लाखों तेली जो हिन्दुस्तान के गांव-गांव में अपना पेट भरते थे, उद्योग करते थे, वे बेकार हो गए। जहाँ तक खादी कमीशन का सम्बन्ध है और रजिस्टर्ड घानियों का सम्बन्ध है, गत दो वर्षों में 25,000 घानियां बंद हो गईं।

गत वर्ष आपने फुटबियर के ऊपर से एक्साइज़ ड्यूटी निकाल दी। क्या नतीजा हुआ? आज सैकड़ों, हजारों चमार बेकार हो गए। आप एक तरफ बड़े-बड़े कारखाने खोलते जाते हैं, खोलते हैं, खोलिए, मेरा कोई विरोध नहीं, परन्तु यह तो सोचिये उन बड़े-बड़े कारखानों के खोलने से आप कितनी बेकारी बढ़ा रहे हैं। जब आप किसी बड़े कारखाने को खोलते हैं उस वक्त उसके परिणाम जो बेकार होंगे उनको काम देने की, उद्योग देने की जिम्मेदारी आपको लेनी चाहिए। अशोक मेहता कमेटी ने सिफारिश की कि 80,000 पावर लूम देश में चलने चाहिए। आप जानते हैं 80,000 पावर लूम लगाने का क्या परिणाम होगा। 80,000 लूम की बजट से 8,00,000 हैन्डलूम बेकार हो जाएंगे। 8,00,000 हैन्डलूम के काम करने वालों को आप कोई काम नहीं देने वाले हैं। यदि देने वाले नहीं हैं तो आपको कोई अख्तियार नहीं है, कोई अधिकार नहीं है कि पावर लूम लगाएँ। दस आदमियों को भूखा मार कर एक आदमी को आप धन देते रहें तो यह न्यायसंगत बात नहीं है।

तीसरी बात, आपने चीनी पर टैक्स बढ़ा दिया, एक्साइज़ ड्यूटी बढ़ा दी, परन्तु गन्ने बोने वाले किसानों के लिए गन्ने की कीमत नहीं बढ़ाई। कीमत पहले ही चीनी की काफी है, और भी इसके बाद बढ़ जायगी। नतीजा क्या है? आज गुड़ के भाव क्या हैं? गत वर्ष जो भाव थे उससे 50 टका

[श्री देवकीनंदन नारायण]

गुड़ के भाव कम हो गए हैं और गुड़ सड़ रहा है मंडियों में और नतीजा यह होगा कि आगे किसान गुड़ पैदा नहीं करेगा। गांव गांव में, बहुत दूर-दूर देहातों में जो गुड़ बनता है हर एक कोल्हू पर दस, बीस आदमी पेट भरते हैं वे बेकार हो जाएंगे। आपके सब काम ऐसे हैं जिनसे एक तरफ बेकारी बढ़ रही है, दूसरी तरफ—प्रोडक्शन आप कहते हैं बढ़ रहा है—प्रोडक्शन बढ़ता भी हो तो उससे पैदा होने वाली सम्पत्ति आप सब में बांटते नहीं। गरीब गरीब रह जाता है।

आज ही सुबह मैंने कहा कि आज भी इस देश में पचास टका चावल हाथ से कुटता है और पैदा होता है। आप अब जा रहे हैं दो हजार राइस मिलें लगाने। आपने सोचा क्या परिणाम होगा 2,000 राइस मिलें खोलने का? यह जो पचास टका चावल आज गांवों में बनता है उनसे हजारों आदमी पेट भरते हैं, वे आपके मिलों के खुलने से बेकार होने वाले हैं। आपने नहीं सोचा कि इसका क्या नतीजा होगा। आप सोचिये। ऐसी बहुत सी बातें हैं जो आप कर रहे हैं। देहाती बेकार हो रहा है।

दक्षिण में छोटी-छोटी मैच-फैक्ट्रीज हैं। आप बहुत बड़ी तीन फैक्ट्रीज खोलने जा रहे हैं जिससे यह छोटे-छोटे धंधे वाले सब खत्म हो जाएंगे। आज विगको ब्रदर्स की जो फैक्ट्री चलती है उसका 60 टका एक कम्पनी बनाती है। छोटी को मौका ही नहीं मिलता। बड़े छोटी को जीना नहीं देना चाहते, बड़ा मछली छोटी मछली को निगल जाती है।

आपने तम्बाकू और सिगरेट्स के ऊपर एक्साइज ड्यूटी रख दी। मेरा सिगरेट से कोई सम्बन्ध नहीं और तम्बाकू में छूता नहीं, परन्तु मैं आपसे कहना चाहता हूँ . . .

श्री अर्जुन अरोड़ा (उत्तर प्रदेश) : आपको मालूम नहीं आप क्या खो रहे हैं।

श्री देवकीनंदन नारायण : आपको पता न हो शायद।

मेरा ख्याल है कि तम्बाकू के ऊपर एक्साइज ड्यूटी बढ़ाने से आपने बीड़ियों की कीमत बढ़ा दी। बीड़ी के उद्योग में आज पचास लाख आदमी काम करते हैं। भले ही कोई रुपया आठ आना कमाता हो, वह रोज आने दो आने की बीड़ी जरूर फूंकता है। तम्बाकू पर एक्साइज ड्यूटी बढ़ने से बीड़ियों की कीमत बढ़ जाएगी और गरीबों को उससे नुकसान पहुंचेगा।

डीजल आयल की बात लीजिए। डीजल आयल आज किसानों के लिए ऐसी चीज बन गई है जिसके बगैर उनका काम चलता नहीं। इलेक्ट्रिक पावर आप दे नहीं सकते, अभी तक आपने 40-45 हजार गांवों तक इलेक्ट्रिसिटी पहुंचाई है। छः लाख गांव हैं, लाखों कुएं हैं इलेक्ट्रिसिटी देते नहीं और डीजल आयल की भी कीमत बढ़ाते जाते हैं। वह भी बाजारों में उपलब्ध नहीं है, ब्लैक मारकेटिंग हो रही है और एक्साइज ड्यूटी भी बढ़ रही है। इनको आप सोचिए कि बह किसलिए सब कुछ किया जा रहा है।

आपका परावलम्बन—अपने पैरों पर तो आप खड़े नहीं हैं। पूज्य विनोबा जी ने एक बार कहा था कि यह देश कितना परावलम्बी है, अन्न के लिए ही परावलम्बी नहीं, अकल के लिए भी परावलम्बी है, शस्त्रास्त्रों के लिए भी परावलम्बी है। है किसमें स्वावलम्बी यह देश? आज कर्जा कितना है इस देश पर? कुल कर्जा मार्च 1967 तक होगा 8,920.25 करोड़। इसमें से बाहर का पी० एल० 480 के इलावा है 3,293.24 करोड़। पी० एल० 480 का कर्जा है 1,278.8 करोड़। मैं पूछना चाहता हूँ कि यह कौन चुकाएगा, किस तरह से चुकेगा क्योंकि हर साल हमारा कर्जा बढ़ रहा है, कम नहीं हो रहा है। इस साल भी 460 करोड़ हम ले रहे हैं। हमें यह भी सोचना

चाहिए कि अपना बिछौना जितना हो उतने पांव पसारने चाहिए। मेरे पिता जी मुझे हर वक्त कहते थे "कर्जा भला न बाप का"। यह शिक्षा हिन्दुस्तान के लोगों को पुराने वक्त से मिली है। परन्तु आज यह हालत है कि पैसा भी बाहर का, अक्ल भी बाहर की, संरक्षण भी बाहर का, हिन्दुस्तान की कोई बात नहीं। नाम का स्वराज्य हमारे देश में है, वैसे हम पूर्णतः परावलम्बी हैं। इस कर्ज के लिए हमें ब्याज कितना देना पड़ता है। 65-66 में 367.65 करोड़ और 66-67 में हमें देना पड़ेगा 409.63 करोड़। यह कहां से आएगा

(Time bell rings) THE VICE-CHAIRMAN (SHRIMATI TARA RAMACHANDRA SATHE) : You will have to wind up.

SHRI DEOKINANDAN NARAYAN : I will take five or seven minutes because I am not going to ask for your indulgence hereafter.

खुद हमारे वित्त मंत्री कहते हैं "such extraordinary forms of external assistance" आगे चल कर वे कहते हैं।

"No self-respecting nation can ever look upon external assistance as a substitute for reasonable effort on its own part or as a continuing feature of its economy".

3 P.M.

यों वे भी इसको बुरा बतलाते हैं और फिर भी करते हैं, रोकते नहीं। यही तो हमारी लाचारी है। आज हम पर बाहर के 18 देशों का कर्जा है। आप कितना भी कहें कि इसमें पोलिटिकल स्ट्रिम्स नहीं है परन्तु यह इंसान का स्वभाव है कि जिससे कर्जा लेता है उसका अहसान दिल में रहता ही है, कभी उसे भूल नहीं सकता।

अब देखिये एडमिनिस्ट्रेशन को। हम हर साल कहते हैं आसटैरिटी, सिम्पलिसिटी, लेकिन क्या कर रहे हैं। 1955-56 ई० में हमारा एडमिनिस्ट्रेशन का खर्चा था L37RS/66

33 करोड़ 57 लाख रु०, 1965-66 में वह तिगुना 92 करोड़ 21 लाख हुआ और 1966-67 में वह 110 करोड़ 8 लाख का है। यानी एडमिनिस्ट्रेशन का खर्चा बढ़ रहा है। हम बात करते हैं आसटैरिटी की, लोगों से कहते हैं कम खावो, कम पहिनो, कम खर्चा करो और हमारा खर्चा इतना बढ़ता जा रहा है, सेक्रेटरीज बढ़ रहे हैं, डिप्टीज बढ़ रहे हैं, न जाने कौन कौन बढ़ रहे हैं। आप बहुत कुछ अपना खर्चा कम कर सकते हैं लेकिन उस ओर ध्यान नहीं दिया जाता।

आखीर में दो बातें कह कर खतम करना चाहता हूं। अभी तक जो मैंने बात कही कि आप पालिसीज के लिये बजट बनाते हैं, तो एक तो मैंने बता दिया कि आपकी प्रोटेक्शन की पालिसी स्माल इंडस्ट्रीज के लिये होते हुए भी उसे आप प्रोटेक्शन नहीं दे रहे हैं, बड़ी इंडस्ट्रीज को चाहे जितना प्रोटेक्शन दिया जा रहा है और आज भी दिया गया है परन्तु स्माल इंडस्ट्रीज को नहीं, दूसरी बात आपकी पालिसी है, कांग्रेस की पालिसी रही है प्राहिबिशन की। सन 1879 ई० में ब्रिटिश गवर्नमेंट के बायसराय के सेक्रेटरी ह्यूम साहब, जो कि हमारे फादर आफ दि इंडियन नेशनल कांग्रेस कहलाते हैं उन्होंने कहा था कि एक्साइज से जो प्राप्त होता है वह "wages of sin" है, उन्होंने सेक्रेटरी आफ स्टेट को एक पत्र लिखा था, उस पत्र में यह लिखा था : "This excise income is the blackest spot on the English Government in India" यानी उस वक्त उस आदमी के जो कि ब्रिटिश था, जो कि इंडियन नेशनल कांग्रेस का फादर था उसने यह कहा कि "Wages of sin" "and blackest spot on the British Government" है। उसके बाद कांग्रेस की 70 वर्ष से आज तक यह नीति रही, पचासों दफा प्रस्ताव पास हुआ, हजारों लोग जेल गए, आखीर

[श्री देवकीनंदन नारायण]

को क्रांस्टीट्यूशन में आया और अभी तक हम प्राहिबिशन नहीं कर पाये ।

Are we loyal to the Congress ?

Are we loyal to Mahatma Gandhi ?

Are we loyal to the father of the Indian National Congress ?

यह सब क्या है ? और कहते क्या हैं कि साहब हमें मंजूर है कि इंट्रिक्सकैंट्स एक ईबिल है, बहुत बुरी बात है परन्तु क्या किया जाय जैसे कि कमी है । पंडित जवाहरलाल जी ने कहा था कि जैसे के लिये प्राहिबिशन रोकना नहीं जा सकता । फिर आपको पैसा पैदा करना है, तो बहुत सी बातें आपको बता सकता हूं, चोरों को भी लाइसेंस दे दीजिये आपको काफी पैसा मिलेगा, क्रिमिनल कोड को फिर क्या जरूरत है । अगर आप मानते हैं कि शराब नुकसानदेह बात है, हिन्दुस्तान के गरीबों का सत्यानाश करने वाली बात है, चोरों में झगड़ा पैदा करने वाली है, बहनों और स्त्रियों की इज्जत बढ़ाने वाली बात नहीं है तो आप प्राहिबिशन को सिर्फ पैसे की कमी के कारण अमल में नहीं लाते यह कहाँ की रीति है । यह हिन्दुस्तान को खास कर के इंडियन नेशनल कांग्रेस को शोभा देने वाली बात नहीं है । फिर इल्लिसिट डिस्टिलेशन की बात कही जाती है । मैं नम्रतापूर्वक कहूंगा कि ड्राइ एरिया में इल्लिसिट डिस्टिलेशन जितना है उतने वेट एरिया में बहुत ज्यादा है, बंगाल में इल्लिसिट डिस्टिलेशन ज्यादा है जहां कि प्राहिबिशन नहीं है, दिल्ली में जहां कि प्राहिबिशन नहीं है, इल्लिसिट डिस्टिलेशन ज्यादा है । तो इल्लिसिट डिस्टिलेशन और प्राहिबिशन का कोई सम्बन्ध नहीं है । चोरी करने वाला चोरी करता रहेगा आप हज़ार कानून बनावें, आपको कोशिश करनी चाहिये इससे बचने की, इसको रोक करने की, जिस तरह से कि चोरी कम कराने की आप कोशिश करते हैं । हालांकि आपकी पुलिस बढ़ गई, आपकी विजिजेंस सेना बढ़ गई, सब कुछ हुआ परन्तु

क्राइम दिन ब दिन बढ़ रहे हैं, डेलिक्वेंसी बढ़ रही है, डाके बढ़ रहे हैं, खून खरब हो रहा है परन्तु आपने कभी नहीं कहा कि पीनल कोड को निकाल दिया जाय । इसलिये मैं आपसे प्रार्थना करूंगा कि यह इस देश की आज तक नीति रही है, कांग्रेस की नीति रही है, यदि आप महात्मा गांधी के साथ कुछ ईमान रखते हैं तो आपका यह धर्म है कि आपको प्राहिबिशन करना चाहिये और 1969 ई० तक जब कि सारे देश में महात्मा गांधी की शताब्दी मनाई जायगी तब तक इसको आप को पूरा करना चाहिये ।

आखीर में मैं आपसे कहूंगा कि आज जो हालत है उसका एकमात्र कारण है : "The slow growth of our economy has hitherto been due to our inability to make full use of our manpower" आपकी पालिसी प्रोडक्शन ओरियेंटेड नहीं, लेबर ओरियेंटेड man-oriented होनी चाहिये । प्रोडक्शन बढ़ा कर आप उसका न्यायपूर्ण बंटवारा नहीं कर सकते, न करी करेंगे । आप अपनी नीति को जिस तरह से न कह रहा हूं उस तरह से बदलें "make full use of our manpower and national resources" जब तक हिन्दुस्तान के करोड़ों लोगों का उपयोग नहीं करेंगे—हमारी सबसे बड़ी, ग्रेटेस्ट कैपिटल, बिग्रेस्ट कैपिटल है मैन-पावर—हिन्दुस्तान की मैनपावर का आप सदुपयोग नहीं करेंगे, उसको उद्योग से नहीं लगायेंगे, उसको काम में नहीं लगायेंगे तब तक गरीबी दूर नहीं होगी, जब ऐसा करेंगे उसमें से इतनी सम्पत्ति पैदा होगी कि उसका हिसाब तक आप नहीं कर सकेंगे क्योंकि हिन्दुस्तान की जनसंख्या थोड़ी नहीं है । आपको एकानामिक प्रगति इस पर अवलम्बित है कि आप अपनी मैन-पावर का ज्यादा से ज्यादा उपयोग करें जो आज तक आप नहीं कर सके हैं । आज देश में क्या हो रहा है । जहां देखिये वहां हिंसा, वायलेंस । किस-लिये ? जहां देखिये वहां कस्टोडियन । क्यों ? क्राइसिस आफ कंट्रोलर मुझे चारों तरफ

दिखाई दे रहा है और कोई कारण नहीं है ! कैरेक्टर नहीं रहा नीचे से ऊपर तक । इसलिये मेरी प्रार्थना है कि ये बातें जो आप कर रहे हैं वे तो होती रहेंगी परन्तु अगर आप इस देश की 80 टका जनता की, गरीबों की, दुआ नहीं लेंगे और उनकी आह लेते रहेंगे तो ईश्वर बचावे उनकी आहों से । उनकी आहों का क्या परिणाम होगा ?

अभी मैंने कुछ दिन हुए एक पत्र पढ़ा, हमारे पुराने माननीय नेता और महाराष्ट्र के गवर्नर श्री श्रीप्रकाश जी ने अपने पत्र के आखीर में लिखा है; उस वाक्य को कह कर आपकी रजा जूगा, वह यह है कि क्या इसी स्वराज्य के लिये हम लड़े थे, वही आज मेरे सामने सवाल है कि क्या इसी स्वराज्य के लिये हम लड़े थे कि जिसमें 18 वर्ष के बाद भी गांवों में न पीने का पानी है और न पुरा खाने की है, न देहात में पछे हैं, उसोग हैं और आज जो बहो अन्न की हालत है वह तो विचित्र है । इसलिये मेरी प्रार्थना है । यहां कल मेरे भाई के० के० शाह कह रहे थे कामन मैन क्या है, उन्होंने कामन मैन की व्याख्या की कि जिसकी 500 % माहवार कमाई है लेकिन यहां रोज की कमाई की आमदनी 27 पैसे 4 आने, 6 आने या 8 आने है, 10 टका आमदनी को यह भी नहीं मिलता है, 500 % माहवार की आमदनी वाले तो अपने से हैं । 20 लाख लोग भी नहीं निकलेंगे 500 रु० पाने वाले । कामन मैन को तो आप पहचानते नहीं हैं । पहचान कैसे सकते हैं ? यहां बैठने वाले, जो गांव की ओर, नीचे की ओर न देखते हों ऊपर ही दृष्टि फेंकते हों ये हम बात को नहीं सोच सकेंगे ।

आखीर में एक बात शोर्की की याद आ गई, वह कह कर खरम करता हूं । शोर्की एक दिन खेलों में चले गये, वहां किसान काम कर रहा था, पसीनी में तर था, पसीना

नीचे गिर रहा था, शोर्की ने पूछा कि भाई तुम क्या कर रहे हो, क्या बेवकूफ, अनपढ़ लोग हैं, चलिये शहर में देखिये कि किस तरह है हम लोग आकाश से उड़यन करते हैं बाकू-यानों में, किस तरह समुद्र में तैरते हैं जहाजों में और एक तुम हो । एक किसान उठा और उसने कहा कि महाराज आपकी बात सच है, आप आकाश में उड़ते हैं, आप समुद्र में तैरते हैं पर आप जमीन पर चलना नहीं जानते ।

SHU I DEBABRATA MOOKER JEE (West Bengal) : Medam Vtec-Chairman, I respectfully agree with much that has fallen from my wtoero-e;l friend who spoke immediately before me but one thing strikes me and that is this. The question of prohibition which he has raised is indeed a fund*¹ menial question, a question into which enter all sorts of considerations, ethical, financial and other. There *it* no denying the fact that we have to build our character as a nation and however good a Budget that we might succeed in framing I do not think that we shall get the best out of it unless we moulded our national character. Indeed a Budget is not merely a statement of expected receipts and projected expenditure; it is very much more than that In order that you might truly asse«* the value of a Budget and determine whether the nation is making progres* have to have a.comnlete conspectus of the Budget that has gone before, of the Budget upon which our mind is exercised at ihe moment snd the Budget which is likely to be presented in the next year. It has rightly been said that the Budget is an instrument of policy; it is something which give* effect to national hopes and aspirationi. There cannot be the slightest doubt that we are pledged to a socialistic pattern of society. Ours is democratic socialism. We respect the rights and the dignitv of the individual man: • We are anxious for social justice. We haw, therefore, to examine the Bndpftt provisions in the light of these objectives and if we permit ourselves to be. oblivious of (hem I fear we shall, be failing in our da

(Shri Debabrata Mookerjee.) As a socialistic State it is the prime duty of Government to feed the people, to clothe the people, to house the people, to educate the people and to provide for them medical facilities. The question is how far these objects can be achieved by the Budget that has been presented by the Finance Minister. It is said that the Budget is a production-oriented Budget. Madam, I feel free to confess that I am not competent to express any opinion authoritatively upon the various formulations of policy emerging from the Budget but I think I can safely say that the Budget as framed takes account of the primary objectives of a socialistic State. It has not forgotten the man in the street, the common man; it has not forgotten the claims of the corporate sector to sympathetic consideration; it has not forgotten the claims to a more lenient consideration of the individual citizens so far as taxes are concerned. But still there may be scope for criticism; but that criticism has to be made against the background of the most important fact that recently we suffered from external aggression, and we had to provide for that. There is also a continuing threat of aggression from one of our neighbouring countries, namely, China. Unfortunately, there have also been recently internal disturbances but that is a law and order problem. We cannot ignore the fact that we have a difficult neighbour just at the moment and this Budget would not be realistic unless we took note of our inalienable responsibility of defending the country against possible aggression. That has, in my submission, accounted for the rise in defence expenditure this year. The increased amount might well have been diverted to nation-building departments and the complaints which we have been hearing about the present shape and structure of the Budget would not perhaps have been heard, had it been possible for the Finance Minister to divert a large part of the defence expenditure towards nation-building Activities.

Madam, it is true that we must have a self-generating economy; we must be self-sufficient. But

As a cannot very well be brought about in the course of a few years. We have been independent for about 18 years. There are hon. Members of this House who seem to feel that this period of 18 years has been wasted, that we have not even made an honest effort to be self-supporting. I am afraid. Madam, I cannot agree with them. There have been difficulties of a very grave character threatening the integrity and sovereignty of this nation. Those difficulties had to be met and we are grateful to Providence that at the present moment there is no hot war going on. But we had just the other day a shooting war between ourselves and our neighbour Pakistan. These are the realities of the situation which cannot be forgotten. Madam, textbook maxims are all very well. It is good to listen to them. It is necessary to bear in mind the fact that we are a socialistic State and must be prepared to find food, cloth and shelter for the common man. That is undoubtedly the primary duty of the Government. If after a sustained effort to provide the bare necessities of life the Government does not succeed in doing so, they will justly deserve the censure of the House as well as of the country. But please remember that we have had strenuous times. I am not pleading for the Finance Minister; he is competent to take care of himself; I am only asking the House to consider dispassionately the facts and events against the background of which this Budget had to be framed. I agree. It is not right that we shut our eyes to the disquieting features of the economy, must be admitted. There has been inadequate performance of the economy as a whole. That sluggishness in the capital market. No one can deny that. There has been considerable pressure on our balance of payments and undoubtedly there has been a rise in the prices of essential commodities. These are the main factors which, besides external aggression, have to be taken into account before we express our views on the Budget. The Finance Minister quite properly expressed his resolve that he would not resort to deficit financing, even so, there has been a slight deficit

in this year's Budget. If I remember aright it is of the order of Rs. 25 crores, but then it could not be helped. Keeping, therefore, in mind the twin claims of defence and development, to which has recently been added the claim of drought relief it is impossible to say that the Budget is not realistic. There may be scope for difference of opinion as to whether a particular type of tax is to be levied or not, but the fact remains that effort has been made to pool the resources of the nation and try and give the country a Budget, which is not only realistic, but pragmatic in every sense of the term. It is good to have an ideal in front of us. No effort can properly succeed in making a nation great, unless it is inspired by an ideal. That ideal is there. We are a socialistic State. We are pledged to the welfare of the common man, but at the same time we cannot forget the claims of defence and the claims, for instance, of drought relief in the present year. If I remember aright we have had to spend about Rs. 20 crores or more towards stepping up agriculture and this amount has had to be spent mainly because of the difficult situation in which we find ourselves on account of the widespread failure of the monsoon.

There is one thing you must take note of and that, to my mind, has also affected partially the Central Budget this year. It appears that several of the States have resorted to deficit financing. They have made unauthorised drawings from the Reserve Bank. That affects the ability of the Central Government to meet all their needs and requirements. There is, besides, another factor. We have had to provide for a border security force, a kind of thing which was not known hitherto, and funds had to be found for that. It was none of responsibility of the States. It was the Centre's responsibility and the Centre had to meet it. Therefore, I submit that if unhealthy budgetary practices in the States are discontinued, I believe that it would be possible for the Central Government to come more effectively to the assistance of the State Governments.

1.7 S S/66

Turning for a moment to the Revenue Budget, you find that on account of debt services, there is a lump increase this year. The total amount required would be of the order of Rs. 414 crores odd. But that is an increase, which nobody can help. You have to meet that charge.

Under the head, administrative services, you find that there is an increase from Rs. 92 crores odd to Rs. 110 crores. On the face of it, this seems to be a big increase. I have given the matter some thought and I am persuaded that the increase does not work out more than 2 per cent or 2½ per cent, a justifiable increase in my opinion, keeping in view the fact that the socialistic State is trying to take increasingly within its ambit the life and activities of the citizens of the country.

Then, we come to grants to Union territories and States. They have gone up in the present Budget. The figure is Rs. 396.30 crores is something which, I think, no complaint can be made. The States had the territorial benefit by them. And lastly you come to the Defence Services. The figure for this year is Rs. 797.67 crores. Now, in the Budget for 1965-66, it stood at Rs. 748.74 crores and in the Revised Budget it had been Rs. 769.06 crores. This time naturally the Government could not allow the grass to grow under its feet and, therefore, the Finance Minister, was perfectly justified in increasing it to something like Rs. 800 crores. In matters of defence we cannot allow ourselves to be lulled to sleep out of a false sense of security. So, several crores go that way. It is possible to say that the increased sum is going down the drain, but this I submit, with respect, that this is a cheap criticism, which does not appear to be justified by the realities of the situation.

With regard to agriculture and food, adequate provision has been made in the Budget, we must be prepared to go to any length for the purpose of feeding our people. We have to feed them at any cost. The cost is heavy, involving as it does, considerable drain on foreign exchange; we cannot help it. We cannot, not possibly complain of the drain. The money is spent on procuring food.

{Shri Debabrata Mookerjee.J for hungry people. The question of dependence upon foreign imports in food is another question, with which we are not immediately concerned. Nobody will say that we should continue to depend on foreign imports for all time to come. It is a matter for shame that we have to depend on them even now, but then facts have to be faced. We have to depend upon imported food; we cannot afford to take the risk and let the people die of hunger. We cannot, therefore, propose to conserve our foreign exchange and refuse to get food from outside. That can never be a correct attitude to take up. I was trying to impress upon the House one simple fact. This budget is realistic. There have been concessions shown to individuals as regards taxes and some concessions to the corporate sector too. In order that the economy might be self-generating steps have been taken. It is possible to say that in some cases the concessions ought to be a little more or you might cut corners here or there. But the budget taken as a whole does not lay itself open to the reproach that it forgets the common man, that it allows to die in the streets, of hunger and thirst. That cannot be said. It is modest and pragmatic. If, on the other hand, you budget with big figures, believe in deficit financing, the glamour of it might be there, but you would, in that event, be budgeting for grief and disappointment, budgeting for failure and frustration.

SHRI K. V. RAGHUNATHA REDDY (Andhra Pradesh): Madam, before I deal with the various aspects of the budget proposals, let me make it very clear that the concept of a welfare State does not necessarily mean a socialist State. A socialist State may have all the elements of welfare State, but the welfare State is not a socialist State at all. This point has been made clear beyond even a fantastic doubt by Pandit Nehru in his various speeches and writings. Therefore, let us not have controversy over this subject which has been settled by Pandit Nehru himself.

Next, Madam, the budget proposals have been described by the corporate sector as a saga of shattered hopes

and a disappointing fare, and in several ways the corporate sector feels disappointed that the concessions granted by the Finance Minister are not sufficient enough in order to induce capital formation and attract equity capital. Now let us for a moment examine in what manner the taxation concessions that have been given to the corporate sector really mean benefits and how within the framework of law they can easily circumvent even the measures that have been proposed in the Budget and the Finance Bill.

Madam Vice-Chairman, regarding tax reliefs to the corporate sector, the existing tax of 12.5 levied on domestic companies with reference to the amount of their bonus issues will be discontinued. At present a dividend tax of 7.5 per cent is levied on the whole of the dividend declared or distributed during the previous year. The budget proposals have raised it up to a point of 10 per cent up to which all the dividends are exempt from any tax. Now if this is the legal formulation that had been made, in effect how it would work? Bonus share is to be understood in terms of capitalisation of profits. Instead of money being paid as dividend on each share, this money would go in either as a bonus issue or it can be converted into a reserve. Instead of paying the dividend on each share which should be paid in the form of money, bonus shares can be issued by the companies. Though the Company Law may not have provided for this proposition, still the Articles of Association of a company can be framed in such a manner that instead of paying the dividend on the shares, the profit can be adjusted in the form of bonus shares that can be granted. If once this formula has been framed in the form of law, what would happen is, at the point when capitalisation of profits takes place, when the dividend is to be paid beyond 10 per cent which happens very rarely, and there are only very few companies in this country which can pay a dividend of over 10 per cent—up to 10 per cent a person who makes a profit need not pay any tax; beyond this 10 per cent if there is still profit left, then that profit can go into bonus shares on which no tax need be paid. Therefore, at the

time either of a dividend or at the point of time when bonus shares are issued, since the capital gains tax on the bonus share which accrues on equity capital is removed, at all these three points the tax can be legally circumvented. Therefore, all these points of checks which the former Finance Minister had kept as guards to watch all these vulnerable points of tax evasion have been given up. The guards have been removed now, and I am sure that the Finance Minister had really taken a very sympathetic attitude when he had removed all these checks.

The next point that is to be considered is how the capitalisation of profits can be further used by the process of bonus shares. • I will illustrate my point by one example. For instance, there are 29 companies in this country which have got their free reserves and profits, capitalised profits as well as reserves, which amount to about two times the equity capital. Then there are some companies which have 30 times or 40 times or 50 times' reserve as against the paid-up capital. Therefore, if these free reserves in relation to the equity capital are 30 times or 40 times, instead of allowing them to go as dividend, what is sought to be done is this can be converted into bonus shares. Therefore, the tax which should have gone usually as a dividend tax is completely evaded. I will illustrate my point by citing an example. Take, for instance, the Sutlej Cotton Company. The equity capital is Rs. 15 lakhs; free reserves and surpluses are Rs. 445 lakhs; that is, it amounts to 30 times the equity capital. If once it amounts to 30 times the equity capital, instead of this money going as dividend, it can go in the form of bonus shares; it can go in, the form of reserve capital. Therefore, at these three points, the tax is completely circumvented legally, within, the framework of law. These are the benefits which the Finance Minister has given to the corporate sector for which they should naturally be thankful instead of condemning him.

Then, Madam, the next question is the expenditure tax. Regarding this expenditure tax, the various Finance Mi-1

31 RS/66

nisters had been playing hide and seek, and to borrow an American expression it can be called economic gerrymandering. Poor Dr. Kaldor who had submitted his report on various taxation measures in this country on personal tax and corporate tax never meant that this tax was going to produce maximum results. He also felt that there would be a question of tax evasion but he meant this expenditure tax as a link in the, chain of taxation, so that all the gaps might be closed, because he felt that at a point of time when the personal tax reached the highest limit, there would be greater incentive for evasion. Therefore, instead of raising the higher limit of personal taxation on income level, he thought he could transfer it to the expenditure. This tax, Madam, in all humility, I submit, had never been tried at all. So, one cannot come and declare on the floor of the House that this has failed. We have been witnessing this comic tragedy of one Finance Minister coming and saying that this has failed and another Finance Minister coming and saying that this has succeeded. Imposition, removal, imposition, removal—this has been going on and, again to borrow a phrase from American politics, this is economic gerrymandering— I am sorry to state this. In all the underdeveloped countries as in Latin America or in Asia, you cannot escape Expenditure Tax. In order to conserve capital, in order to see that incentives to investments are there, this Expenditure Tax has to be levied so that extravagant expenditure and conspicuous consumption can be stopped. Previously, when the Expenditure Tax was there, though there was a certain amount of evasion on that account, what was happening was that a certain amount of black money used to come out in the form of expenditure which could not be accounted for. Now, the white money that is available at the hands of the various industrialists would be used for the purpose of expenditure which can be legally accountable for the purpose of calculating the profits and for which they would get a rebate in Income-tax. Therefore, instead of attracting the black money into the onen in some form of exoenditure or other, we are going to use the white money for the purpose

[Shri K. V. Raghunath Reddy.]

of expenditure, for which we will be given income-tax rebate and exemption. That is the result of the removal of the Expenditure Tax.

Then come the Gift Tax and Estate Duty and the result of the process of giving exemptions in Gift Tax and Estate Duty and giving extended limit of Gift Tax from Rs. 5,000 to 10,000. Though normally I would not like to object to a very honest man gifting away Rs. 10,000 to somebody whom he likes within the legal framework of the Gift Tax and Estate Duty, a person can extend or spread over gifts over a period of years at the rate of Rs. 1,000 on when no tax is paid on that and finally when it comes to the question of Estate Duty, excepting fools and honest people, others need not pay any Estate Duty at all. I will illustrate my point. Suppose a person mortgages his property to somebody, takes a loan and gifts away to his sons over a period of two or three years, and loan can be taken back from his sons for redeeming the mortgage, and for paying back the loan taken from his sons, property can be handed over by settlement or by a sale deed, so that what remains is nil balance. This is the best way of evading Expenditure Tax, this is the best way of evading Gift Tax, this is the best way of evading Estate Duty. The corporate sector has an array of legal and economic experts, they do not need my services. But for the benefit of those who would like to understand the various complications in the legal formulae enacted in Income-tax and other laws, I am illustrating this point.

The next point of contention that has been raised by the corporate sector, for which many tears have been shed on the floor of this House, is that there is no capital formation, that the taxation measures are acting as disincentives for the formation of capital. At the very outset, I may state that the private enterprise in this country has lost its functional status, only it has reached a stage when it has become parasitic. Its capacity to expand has been lost. It can only eat into the vitals of the national

economy as a parasite does in the human system. I will illustrate this point as to how we arrive at this conclusion. The point that they have put forward is that there is no capital formation, that there is no money available and therefore they cannot raise any equity capital. To contest it, firstly you will have to take into account how much of bank credit has been allowed to them from the scheduled banks. I will give you the figures of the bank credit that was allowed, the public money that was deposited with these banks, which money was channelled from the exchequers of the private banks into the pockets of the private sector:

I would very humbly ask : Where has

| | | Rs. Crores |
|---------|----|--------------------------------|
| In 1960 | .. | 715 |
| 1961 | .. | 767 |
| 1962 | .. | 879 |
| 1963 | .. | 1,024 |
| 1964 | .. | 1,176 |
| 1966 | .. | 2,149 |
| | | (for the week ending February) |

all this money gone ? Has it gone into their pockets ? Has it gone into the equity capital ? Or has it gone for the purpose of building up the private industry? These are the questions which the private corporate sector should answer before it complains about taxation.

Next, the more interesting factor is about the total amount of loan which the companies in which the directors of these various banks are interested have taken in these various years. They are—

| | | Rs. Crores |
|---------|----|------------|
| In 1962 | | 197 M |
| 1963 | .. | 228.3J |
| 1964 | | 247-10 |

For 1965 the figures are not available.

I must state that each figure in each year is much bigger than the revenue collection of any of the biggest States in this country. The loan* which the

Companies in which the directors of the various scheduled banks are interested have taken each year are much bigger than the revenue collections of any of the biggest States in India. Therefore, where has all this money gone? Into whose pockets has it gone? That is the question. And the company directors, if they take it into their heads, can run the biggest State with the loans that they have taken for their companies, without levying even a single naya paisa tax. If they want they can run a parallel administration or government. If this is the case, where is the question of any complaint by the private sector?

The public sector has been performing commendable work and it has shown results, which need the appreciation of this House. While we understand and appreciate the way in which the public sector has shown remarkable progress in this country, we will also have to understand, if we do not want to reach the stage of stagnation, certain economic processes, for which I would request your permission, Madam Vice-Chairman, to allow me a few minutes more.

The public sector produces means of production. Basic industries have been started in the public sector. The private sector, by any stretch of imagination, would not be able to start them. That is, no private sector enterprise would be able to start a Bhilai Steel Plant or a Durgapur Steel Plant. Or it could never imagine constructing a project like the Nagarjuna Sagar Project. Therefore, basic industries are developed in the public sector. It indicates two processes. Firstly, the products which come out of the basic industries produce both products which are the means of further production and products which manufacture consumer goods. I will illustrate my point. Take steel for instance. Steel can go into the consumer factories for the purpose of producing consumer goods. And steel can also be used for the purpose of extended reproduction, for the purpose of producing machines which again go in for the purpose of producing consumer goods.

Now, in a co-ordinated economy, all these three branches must be co-ordinated if a proper planning is to be there. But what is happening in this country is that the public sector starts basic industries and offers the products to the private sector and in that process, the public sector acts as the hand-maid for the purpose of producing profits for the private sector. But this process will not go on for a long time because the capacity of the private sector in the context of income distribution in this country has reached such a stage or level that, say, by about 1980, it will not be able to expand. The Mid-term Plan Appraisal is the watershed to judge whether the private sector can expand or not. The glut in the production of textiles and the glut in the various branches of the economy are a clear indication of the fact that beyond 1980, if this rate of development takes place, the private sector cannot expand. Therefore, the public sector must be co-ordinated in such a manner that the products that are produced in the public sector must be utilised in order to avert the crisis of under-consumption. Therefore, the philosophy of starting consumer industries in the public sector whether we like it or not, stands on inexorable logic, and on that basis, I suppose the Congress President had made his appeal at the Jaipur Congress. Therefore, Madam Vice-Chairman, the consumer sector must start in the public sector so that there might be co-ordinated planning and we might avert a crisis of under-consumption.

Already, Madam, it has been said that there is a glut in the production of steel. The steel produced at Bhilai and Durgapur, has been left without a market. I am told that the hon'ble Minister of Steel had told the Consultative Committee that they were trying to find out ways and means of export. This also is another matter which should be given serious consideration because the export itself is reaching a stage of crisis. The London Economist has already reported that the 30,000 workers in the steel factories in Germany have gone out of employment because they are not able to sell the steel.

(Shri K. V. Raghunath Reddy.)

products of West Germany. Therefore, we have to meet a competitive market.

I will only mention one point and finish. There is quite a talk about devaluation. I know the Finance Minister and the Planning Minister have assured this House as well as the other House that there is no such talk like devaluation of the Rupee. But Mr. Bernard Bell, one of the Chairmen of the World Bank mission, seems to have submitted a report to the World Bank in which he seems to have suggested that if India agrees to devalue the Rupee, they would be prepared to give 500 million dollars as loan to India for the purposes of developmental plans and for the supply of raw materials which are very necessary. If this proposition is accepted, even that 500 million dollars which they are prepared to give would even work out to 1,000 million dollars as loan when it is to be repaid. In fact, we may have to pay even 700 million dollars back depending on the rate of devaluation. In all humility I submit this is only a remedy like a quack doctor prescribing medicines. This is a dangerous remedy for the Indian economy because, in view of the enormous loans we have taken, we will have to pay enormous interest for servicing the loans that we have taken. This country would be ruined if by any chance this proposition of devaluation is accepted. So, Madam Vice-Chairman, this matter deserves our careful consideration.

No doubt, the Monopolies Commission Report has not been mentioned at all in the Budget. Probably it is a very big subject which the Finance Minister could not deal with within the given compass of the Budget Speech, but it deserves our great attention, because without all those concessions which have been given for all the plans that the private sector is making, how would the monopolies grow if really the taxation was so heavy as they are clamouring? What is the answer to the Mahalanobis Committee Report and the Monopolies Commission Report? There must be some answer and they must give some

explanation as to how all this concentration of economic power could take place.

Lastly, Madam, with all the defects that may be found in this country, in spite of all the sorrow and agony that we are witnessing, democracy under the leadership of Pt. Nehru for the last 17 or 18 years has come to stay, and with his definition of socialism, I am sure, in spite of many dissenting voices, the people in this country are, strong enough to take this country to socialism through the triumphs of democracy.

DR. SHRIMATI PHULRENU GUHA (West Bengal) : Madam Vice-Chairman, at the outset I would like to congratulate the Finance Minister for his exempting the Police force from the operation of the Estate Duty when killed while fighting the enemy.

The present economic condition of the country has become considerably worse during the last 18 years. Though the figure of *per capita* income has increased and more money has gone into circulation, the money market is very tight. The shortage of food production has necessitated loans from abroad though our foreign exchange position is very low. I do not say, Madam, that we should be free from aid altogether, but we should move with firm determination toward our objective for self-sufficiency.

I feel revenue can be much more if there is proper realisation of revenue from custom and excise. The machinery for collection of income tax is also far from satisfactory. I think the Finance Minister must take cognisance of these and bring in some measure.

The economy of our country depends mostly on self-sufficiency in food. The key to our agricultural products lies in the hands of our farmers. Unless the farmers get profitable returns for their hard labour, they will not take interest in producing more. Therefore, an incentive price should be given for the agricultural produce.

.. The scarcity conditions prevailing in the country are leading us to a very grave situation no doubt. There is failure of harvest, but that does not mean that India is absolutely devoid of food. The exaggerated picture of shortage of food, particularly outside the country, has also given a psychological setback to the people. In this connection I like to point out that we get different figures of production and deficit from different Ministries or departments. I like to say that whatever may be the figure, people expect the same figures from all concerned. Whenever there are different figures, people suspect and get confused and get nervous also. I like to point out that production and deficit figures must be checked before they are published. If there are different figures in different departments of the Ministries they must sit together and find out the correct figure and then inform the public. Some method must be found out by (he Government to solve this anomaly.

Whenever there is news of any shortage of a particular item in a particular area, we often get statements that there is no shortage in the country. The common people are not happy to know that there is no overall shortage, but they want essential articles like food, kerosene, etc. in their own area at reasonable prices. It is a pity that the common people are often deprived of essential items even when there is no shortage in the country.

I request the Government to take speedy steps to see that the common people get the essential commodities, according to the availability of course, in every corner of our country. The demand of our common people, we must remember, is very simple. They want some food and clothing first and other things later on.

4 p. M.

Coming to the question of food shortage, I do not want to take much time of the House but I feel strongly that there must be a national food policy both short-term and long-term. The question of land ceiling must be taken up on the

basis of economic holdings and the production per acre must increase. The same policy should be there throughout India. For more production steps should be taken so that each land can grow at least two crops if not three crops. There must be proper arrangements for necessary agricultural credit to our cultivators. We see many plans on the paper but when we actually go to the tiller, we find they are not getting all that we find in the Plan. The Government should give an impetus to the tiller of the soil. The cultivators must get seeds, fertilisers, manure, etc. at cheap rates at the proper time, I repeat at the proper time, because we have often seen that the cultivators do not all these when they are actually needed. Irrigation facilities must be there and small irrigation should be taken up with great earnestness. Steps should be taken to see that the farmers are not forced to go to the private money-lenders for money. I would request the Government to see that easy rules are framed so that the farmers can take loans from the Government because the present rules are so complicated that it is not possible for ordinary farmers to take loans from the Government. I most humbly suggest that steps for extensive and intensive food production have to be taken. We cannot expect democracy to function properly with millions of half-starved people. To overcome this situation a national food policy is needed. In this connection I urge upon the Government to formulate a national food policy. I would point out that that policy must be executed on a war basis. We know that the bureaucratic machinery takes time for its functioning. The execution of national food policy should not be left to the ordinary executives. A separate machinery must be set up for the implementation of the food policy. Most of the time we find that though the plans or policies are good, the execution is so defective that we do not get the requisite result at least in time. I would emphasise that the system of disposal of files in the Government Departments must be changed. It seems one file goes from one table to another and no action is taken unless there are a dozen signatures in one note.

[Dr. Shrimati Phulrenu Guha.] There must be a rule that action should be taken within a specific time. If no action can be taken within a specific time, the matter must be reported to the higher authorities.

I would like to say that our fighting Forces must be congratulated for their wonderful job during the last Indo-Pakistan war but I would point out in this connection that our Civil Defence was far from satisfactory. My humble suggestion is that we should take up Civil Defence in right earnest. If Civil Defence is properly organised, it will be a great asset during an emergency. I would point out that we do not have any national plan for social welfare in our country. I know that we do not have enough money for social welfare as a whole but I feel very strongly that there must be an overall plan for social welfare but the execution of that plan can be taken up according to the money available each year or in each Plan. We are proud that a lady is our Prime Minister. We also often men-don that we have women Ministers, women Governors, etc. but we must see whether the basic attitude is changed. Here is an example. This is a form from the Director of Estates for allotment of residence in Delhi. Page 3 item IV says that a lady will get a type of accommodation next below the type entitled to her post. It is really impossible for me to understand how and why such a rule can be framed. I would like to have a thorough enquiry into this matter.

I would say a few words about our college and university teachers, of West Bengal. The college and university teachers in Bengal, in support of their demand for higher remuneration last year decided to boycott the examinations. At the last moment they relented on some assurance given by the State Government, the U.G.C. and the Education Ministry of the Union Government. The Education Minister in February 1965 gave them a written reply saying that the Ministry of Education would accept any revision of pay scale of college teachers suggested by the

U.G.C. and would implement the revised scale from the beginning of the Fourth Plan. The Chief Minister of Bengal also gave them the assurance that the Government of Bengal would pay its matching grants. The U.G.C. has made its recommendation but on the ground of paucity of funds the Central Government have refused to implement the assurance given to the teachers last year. This will lead to the boycott of examinations and complete chaos in the educational field firstly in West Bengal and then in the other States. The Government of India recently decided to increase the D.A. of the Central Government employees which would require about Rs. 25 crores. The additional amount for the revision of pay of the college teachers in Bengal will be not more than Rs. 5 crores. It should not be difficult for the Government of India to find out Rs. 5 crores when they can find Rs. 25 crores for the Central employees. On the one hand we want good academic people should join the colleges. On the other hand we are not willing to pay them minimum substantial remuneration. Is it not contradictory? The Government is to decide what they want. Only mere good technical and university education will not produce good students in the country. We must start with the primary schools. The country will not progress only with a number of schools and colleges but the country can only progress with good schools and colleges. For that we need good teachers. If we really want this in our country we must review our thinking and plan in regard to education and remuneration of the school and college teachers.

Here I would like to point out that it is not any good having a good plan of education only but side by side we must think about the remuneration of the school and college teachers also. A thorough assessment of the achievement of the three Plans has to be made. Failure and commission have to be rectified along with the Fourth Plan. It is most important that a scrutiny and assessment of the utilisation and achievements and shortcomings of the three Plans should be made in earnest. We must do

all that is possible to overcome the ills that face us today, Madam. We should get together to overcome the present situation with firm determination.

With these few observations I support the Budget. Thank you, Madam.

SHRI KHANDUBHAI K. DESAI: Madam Vice-Chairman, during the short time at my disposal I will try to take a bird's eye-view of the Budget Estimates and the Budget Proposals that have been placed before the country by the Finance Minister, and within a month and a half of his assuming the onerous responsibilities I believe that he has been able to present to us a sober, balanced and realistic Budget.

When we look at the problem of finance, we cannot forget the background against which the Finance Minister has to present his Budget for the year. Very shortly, in a few days we will be completing the Third Five-Year Plan. Now we have gone through three Plans, and they have been under stresses and strains. The First Plan gave us an economic growth of about 20 per cent.

AN HON. MEMBER: Eighteen per cent.

SHRI KHANDUBHAI K. DESAI: The Second Plan gave us an economic growth of about 20 per cent. So in the first two Plans the economic growth in the country was in the neighbourhood of 40 per cent. Then, when the Third Plan was presented to us, it was envisaged that the Plan would give us an economic growth of 25 per cent., if not 30 per cent. But, immediately in the very first year of the Third Plan we had to face some sort of invasion from China. If I remember aright, defence expenditure then was about Rs. 400 crores and odd. We all were taken aback and we found that we were taken by surprise by China, by her aggression, and we all wanted that our military strength should be increased because, for any country, particularly for a democratic country

like India, security of the nation is a first charge on the revenues of the country. But in modern warfare a simple defence force won't do. It requires, by its very nature, a strong industrial base. Therefore that has also got to be looked after. Under these circumstances, the Third Five-Year Plan, unfortunately, has gone astray from what we envisaged in the beginning, and so the rate of economic growth in the Third Five-Year Plan period will not exceed 15 per cent., instead of 25 to 30 per cent, as we had envisaged. At the same time, it should also be considered that when the Third Five-Year Plan was thought of, it was planned that we would be investing an outlay of about 7,600 crores. But really we have invested more than Rs. 8,000 crores. And the result? The physical targets envisaged will not go more than 60 per cent. It means that the whole economy in the Third Five-Year Plan was disturbed. The ship of economy was rocking, specifically for reasons which were beyond the control of anybody. We had to face the Chinese invasion. Then we had to face recently the aggression from Pakistan, and, to add to our trouble, agriculture remains stagnant practically for the whole of the Third Five-Year Plan. At that time, when the Third Plan was inaugurated, food production was in the neighbourhood of 80 million tonnes. It almost remained at that level for the first three years. Then the fourth year gave us some hopes; it went up to about 88 million tonnes but, unfortunately, nature has been unkind to us in the current year, and the year we are passing through will not give us more than 76 million tonnes of food. Therefore, it is now quite clear that we are passing through an unfortunate position as far as agricultural production is concerned. That is the basis which has disturbed our economy completely, which has put it out of gear during the last five years. Added to that was the problem of defence, and defence expenditure, as I said, mounted up, has gone up to nearly double of what it was previously. All these circumstances have to be taken into consideration before we criticise, one way or the other, the Budget.

[Shri Khandubhai K. Desai]

We have seen that our friends, Shri Babubhai Chinai and Shri K. K. Shah on this side, have said that the corporate sector must be completely free, that all controls on it must go and that no more burden should be put on it. So, has the burden of financing defence build-up, and development—both agricultural and industrial—to be placed on the poor man? Then what contribution are they going to make for the development of the country in these fields? They say, "No, give us everything, and we will manage and make money."

Now the taxation that has been proposed in the present Budget is, in my opinion, distributed equitably. The corporate sector, if I remember aright, is going to give about Rs. 34 crores. Direct taxes on personal income might bring in about Rs. 22 crores. Excise Duty might bring in about Rs. 48 crores. On the whole, the burden that has been placed for defence and development is more or less equitably distributed though some criticism could be made by any one party from one angle or the other, that it could have been less in this sector, or more in that sector. Some people say that the surcharge of 10 per cent on personal income should have been further extended to people drawing more than Rs. 7,500. Some other people might say that it should be up to Rs. 10,000. But if the Finance Minister has to find the revenue for the routine expenditure, which has to go on, he has to put the burden somewhere

And in my opinion slight changes are there, here and there. Even if changes are made, still criticisms will be there. I submit that the Budget should be looked at from the overall point of view and not from either the leftist point of view or the rightist point of view. That is why I say that this is a balanced and realistic Budget and it deserves the sympathy and support of the whole House. It is not an ordinary Budget. As I said, the ship of our economy was rocking in the mid-sea and what has the Finance Minister done? He has first tried to

steady the ship before the sails can be put out for further progress. That is what the finance Minister has done.

Our friend, Shri Babubhai Chinai, this morning tried to say that some development expenditure should have been cut down and the corporate sector should have been given relief. Some relief has been given. He said that the stock markets have come down. They are bound to come down. Because of inflation the prices of the stocks and shares were out of all proportion to the economic viability of the particular concern. They were inflated. Shares worth Rs. 100 were being quoted for Rs. 1200/-. Only during the last two or three years, they have been coming down to a level which is healthy and what the Finance Minister has done is to keep up this healthy trend. This is all that he could do. Nothing more could be done. After all, the Budget has to envisage the overall picture of the country. It cannot help one against or at the cost of others. This really is the position and that position, in my view has been taken by the Finance Minister in a very balanced way.

Agriculture, as we saw during the course of the debate on the food situation in the country, has been, more or less, neglected and the result was that the economy of the country lost equilibrium. Now our eyes are opened and more and more interest is being taken in the field of agriculture. After all, even if we want industrial development to take place, if we want defence to be galvanised, it should not be forgotten that the base of every development is agriculture in this country. Therefore, agriculture has got to be looked after more and more.

Some of the people who speak on behalf of the corporate sector say that the Plan should have been cut down so that there may not be the need for further taxation. Really the technique of planning is that from year to year the Plan outlay should go on increasing. The Finance Minister, I believe, has, to an extent, probably reluctantly, cut down the outlay for the next year. For the

last year of the Third Five Year Plan, we should have an outlay of Rs. 2,200 crores. It has been cut down to about Rs. 2,000 crores. According to planning technique, it should have been Rs. 2,400 crores or Rs. 2,500 crores, if we want to accelerate the development. That means that the Plan outlay for the year 1966-67 is really about Rs. 500 crores less than what it should have been. What more could be done? He has practically cut the Plan to the very bone. Anything further would have been disastrous. It would have created unemployment. It would have created avoidable hardships. Therefore, I think what has been done in this year's Budget in order to steady the economy is quite enough for the time being. Nothing further could be done and, therefore, I fully support the Budget that has been placed before the House.

Of course there is one aspect to which to which I would like to invite the attention of the hon. Finance Minister. The Food Minister and the Planning Commission have been laying very great stress on agricultural production. In that context we have to consider whether this heavy duty on light diesel oil is a step in the right direction. Till electricity is available for lift irrigation most of the pumps are working in the rural areas on oil for irrigation and for giving you a second or even third crop and for this light diesel oil is necessary. It was said that in order to conserve light diesel oil and to check black-marketing by the transport people, this heavy duty has to be imposed. Assuming this to be true, we should bear in mind that side by side, it also penalises the progressive farmers who try to give you more food-grains by raising a second or third crop because this duty is fairly high. Therefore, my suggestion is if you cannot take away the duty on light diesel oil, you may give some grant to the States to give subsidy to the agriculturists who are using the light diesel oil. That is the one suggestion that I would like to make.

One criticism that is frequently made when discussing the Budget is that we should not import foodgrains from anywhere. Such criticism comes only from

those who want to see in this country chaos and disturbance. If no food is available, then naturally rationing will have to come and that too rationing all over the country covering not less than twelve to thirteen crores of families. Is it practicable? And if food is not available, then they will create throughout the country the scenes which we have unfortunately seen with our own eyes in Calcutta and other places. So they do not want us to import food and if we do not import food, then there is just the climate for them that they want in the country, to do what they want to do.

Of course, we should be self-sufficient and efforts are being made for that. But as I said during the debate on the food situation, self-sufficiency in food especially with an increasing population cannot be attained in a short time. The small peasant will have to be educated and our community development and extension services will have to be made more and more serviceable. If that is done, then and then alone can we be self-sufficient in food and other agricultural products. And this is bound to take time and we must wait for that period. Till that time comes, we have to import and import would be a necessity and you cannot, on ideological grounds or on emotional or sentimental grounds, denounce the imports of food. Which is the country which is not importing food? Most of the countries that I know of are importing food. China is importing food, Russia is importing food, England is importing food. Many countries are importing food and there is nothing to be ashamed of if food is being imported. Therefore, to talk of stopping the import of food is a talk by those who do not mean well by the country. I fully support the Budget proposals and the financial implications contained in the Budget, in the situation in which the present Finance Minister found himself on the 28th February, a better Budget than this could never have been presented.

One more word and I have done. I have got to say something about the growth of the non-development expenditure. This has gone up six times during

[Shri Khandubhai K. Dasai.]

the last fifteen or sixteen years and it goes on increasing day by day. The Administrative Reforms Commission which has been set up will look into this. This is one thing which is causing us anxiety. Every time in this House, whoever is the Finance Minister, gives the assurance that this expenditure will be checked, will be curtailed but every time we get a fresh Budget, instead of some curtailment of this expenditure, we find some increase under this head.

The working of the public sector has been criticised, I would also like to say that the public sector was expected to contribute about five hundred crores of rupees in the Third Five Year Plan but it has not been able to contribute even half of this figure. This requires to be looked into. This does not mean that I am against the public sector. The public sector should work on a commercial and businesslike basis. It should not be run as a Government department but should be run entirely in a businesslike way. The persons working in the commercial concerns, like the managers, superintendents, etc., should be drafted on to the public sector so that they will show the way how a commercial concern should be managed. The Committee on Public Sector Undertakings has submitted two or three reports. They have laid bare certain aspects. These will come before the House and will discuss them and the natural explanation, by the respective Ministries would be that something could be done or could not be done because of certain factors. That is not enough. It requires very close scrutiny because today the public sector is assuming more and more importance in our society. As some speakers said, the public sector is not going to replace the private sector but it is going to assume a dominant place in the economy of the country. This is not because of any inherent hostility towards the private sector but in the very nature of the Indian economy, the private sector cannot play a decisive part in the industrial development of the country. It has neither the money nor the talent to take on the task required in respect of oil, steel, machine build-

ing industry, big chemical industries, etc. We, therefore, have to develop the public sector in our economy very very carefully but its management requires to be entirely overhauled. It must enjoy the advantages of both the private and the public sectors and should be run on proper business lines. There is something lacking in the industrial management as far as the public sector is concerned. It is not human, it is not commercial, it is diehard, static and, if I may say so, it is . . . confused.

AN HON. MEMBER: Extravagant.

SHRI KHANDUBHAI K. DESAI: I do not know. I have not examined that and as I have not examined that, it does not lie in my mouth to say that it is extravagant. Now that you have made the suggestion, I would go into this extravagancy business and next time when I speak, I will give my opinion on that.

श्री राम सहाय (मध्य प्रदेश) : उप-सभापति महोदया, बजट के बारे में श्री खंडूभाई जी ने अच्छी तरह से विश्लेषण किया है और उसमें क्या-क्या गुण हैं, यह सब बातें उन्होंने बतलाई हैं। मैं तो इस सम्बन्ध में सिर्फ फाइनेंस मिनिस्टर साहब को बधाई देता हूँ और इस प्रकार का बजट लाने के लिए धन्यवाद भी देता हूँ।

लेकिन मेरा यह निवेदन है कि कर कितने भी बढ़ाए जाएं, जनता उससे चिन्तित नहीं होती। अगर जनता को यह मालूम हो कि कर जो लाए जा रहे हैं उनका उपयोग ठीक तरीके से किया जा रहा है। मेरा ऐसा ख्याल है कि इस बारे में हमारे जिम्मेदार अधिकारी पूरा पूरा सहयोग नहीं देते और न अपनी जिम्मेदारी को पूरा करते हैं। इस बारे में मैं फाइनेंस मिनिस्टर साहब का ध्यान आर्डीटर जनरल की रिपोर्ट की तरफ और पब्लिक एकाउन्ट्स कमेटी की रिपोर्ट की तरफ आकर्षित करता हूँ और उन्हें यह बताऊंगा कि वे यह देखें कि किस गैर जिम्मेदाराना तरीके पर लाखों रुपया बिना पार्लियामेंट की मंजूरी के खर्च किया जाता है। लाखों रुपए का सामान स्टोर में पड़ा रहता है और

एक, दो, चार साल नहीं 20-20, 22-22 साल तक पड़ा रहता है और उसकी कीमत रुपए में दस प्रतिशत भी बाकी नहीं रहती है। चोरियां होती हैं, कई लाख रुपए के सीमेंट की चोरी हुई डिपेंस से, लेकिन कोई पता नहीं। पी० एंड टी० से लाखों रुपए का ताम्बे का तार चोरी जाता है और नतीजे में सिफर। इसी प्रकार से एक बात नहीं, कई बातें हैं। तो मेरा कहना यह है कि कर लगाने में तो कोई संकोच नहीं होना चाहिए, न करना चाहिए, लेकिन हमारे अधिकारी वर्ग अपनी जिम्मेदारी को महसूस करें और वे यह देखें कि दरअसल जो खर्च किया जा रहा है वह ठीक हो रहा है और जो स्टोर में या स्टॉक में उनके पास सामान है वह ठीक तरह से है या नहीं। मैंने देखा है कि लाखों रुपए की चीजें खराब होती हैं, लेकिन जहां तक जिम्मेदारी आयद करने का सवाल है किसी अधिकारी पर उसकी जिम्मेदारी आयद नहीं होती है। एक-दो मामूली क्लर्क या स्टोरकीपर पर जिम्मेदारी आयद करके संतोष कर लिया जाता है। मेरा यह निवेदन है कि इस बारे में जिनके अधिकार क्षेत्र में यह सारी कार्यवाही हो, इस प्रकार की नेगलीजेंस हो उन सब पर उसकी जिम्मेदारी आयद होनी चाहिये और उन सब के भविष्य के बारे में भी विचार करना चाहिए, आइन्दा उनको वे जिस तरहकी के मुस्तहक हैं वह मिलनी चाहिए या नहीं मिलनी चाहिए। मेरा तो यह निवेदन है कि अगर इस प्रकार की जिम्मेदारी हम पेंशन पाने के बाद भी डाल सकें तो उसमें कोई बुराई नहीं होगी क्यों नेशनल वेस्ट जो इस प्रकार से होता है उसे हमें किसी न किसी प्रकार से बचाना होगा। अगर इस प्रकार से बचा नहीं सकते हैं तो चाहे जितने अन्धाधुन्ध कर लगाते चले जाएं और हम उनका सदुपयोग न करें तो हम अपनी गर्ज को पूरा नहीं कर सकते। तो मेरा निवेदन यह है कि इस बारे में खास तौर पर ध्यान रखने की आवश्यकता है। मैं समझता हूं कि फाइनेंस मिनिस्टर साहब

स्वयं इस ओर तवज्जह देंगे और अभी हाल में जो एडमिनिस्ट्रेटिव रिफॉर्मस कमीशन बना है जिसके हमारे मोरारजी भाई चेयरमैन हैं मैं उनसे भी निवेदन करूंगा कि वे देखें इस सब को और स्कूटनाइज करें पब्लिक एकाउन्ट्स कमेटी की और आडीटर जनरल की रिपोर्ट्स को। और उससे यह नतीजा निकालें कि भविष्य में किस प्रकार से जिन अधिकारियों के क्षेत्र में इस प्रकार के कार्य होते हैं उन पर जिम्मेदारी डाली जा सकती है। जब तक इस प्रकार से चीज को नहीं देखा जायेगा उसका कोई नतीजा निकलने वाला नहीं है।

दूसरे, मुझे अर्ज करना है कि आज जब हम इस प्रकार से अपने धन का अपव्यय करते हैं तब नशाबन्दी या प्राहिबिशन का सवाल आता है तो स्टेट लैवल पर और सब जगह यह बात कही जाती है कि इससे आर्थिक हानि होती है इसलिये इसे नहीं करना चाहिये। मेरा यह नम्र निवेदन है कि जो लोग ऐसा कहते हैं उन्होंने संविधान की शपथ ली हुई है। अभी हमारे देवकीनंदन जी ने महात्मा जी की बहुत सारी बात कही थी, महात्मा जी के पदचिह्नों पर चलना मुश्किल है, चल नहीं पा रहे हैं, चल नहीं सकते हैं, लेकिन संविधान में जिसकी हमने शपथ ली है उसमें यह बात कही गई है कि The State shall endeavour हम इस बात का प्रयत्न करेंगे कि नशाबन्दी हो लेकिन बजाय इसके हम उल्टे यह प्रचार करते हैं कि पैसे की कमी की वजह से या किन्हीं खास लोगों को तकलीफ है उसकी वजह से हमें शराब इत्यादि की इजाजत देनी है और इसके लिये इस प्रकार के कानून कायदे बनाते हैं। मैं समझता हूं कि किसी कांग्रेसमैन को—कांग्रेस के सिद्धांतों के विरुद्ध, संविधान के विरुद्ध—इस प्रकार के कार्य करने का न तो नैतिकता तकाजा करती है और न वैधानिक तरीके पर वह उससे बच सकते हैं, उनका यह कर्तव्य है कि वह इस ओर खास तौर से देखें।

जो कमीशन है उससे भी निवेदन करूंगा कि उनके अधिकार क्षेत्र में यह आती है। फाइनेंसल एडमिनिस्ट्रेशन के तहत बजेटरी रिफार्मस भी वह कर सकते हैं और Procedures governing financial regulations between the Central and the State के तहत भी इस बारे में वह देख सकते हैं। तो प्रोहिबिशन के बारे में खास तौर पर देखें कि बजट का संतुलन स्टेट्स में किस प्रकार से हो और स्टेट्स को अगर कोई सहायता दी जा सकती हो तो केन्द्र से किस प्रकार से सहायता दी जा सकती है, इस बारे में भी वह विचार कर सकते हैं। इस बारे में अवश्य विचार कर के किसी नतीजे पर पहुंचें तो मैं समझता हूं कि फिर जो यह शुरूआत हुई है कि शराबबन्दी को दूर किया जाय यह किस तरह से खत्म हो सकती है। आज 50 वर्षों तक निरंतर प्रयत्न करने के बाद कुछ स्टेट्स में, दो तीन स्टेट्स में पूरे तरीके पर और कहीं कहीं थोड़ी थोड़ी प्रोहिबिशन हो पायी है लेकिन अब उल्टी आबो-हवा बह चली है और उस हवा के अन्दर सभी स्टेट्स आते जा रहे हैं। तो मेरा निवेदन है कि इस बारे में खास तौर पर देखने की आवश्यकता है।

मुझे अर्ज करना है कि हमने अभी बंगाल में जो दृश्य देखा, अभी हमने पंजाब में जो दृश्य देखा और अभी इस हाउस में जो देखा कि जब यह सवाल पैदा हुआ कि तीन आदमियों को, कांग्रेस के आदमियों को, पानीपत में जिन्दा भकान, दुकान के अन्दर बन्द कर के जला दिया गया तो हमारे श्री अटल बिहारी वाजपेयी जी इस बात की दलील दे रहे थे कि इस बारे में इस बात को देखा जाना चाहिए कि उसमें पुलिस ने क्या किया, उनको जलाने का एक इस प्रकार से जस्टीफिकेशन दे रहे थे। मैं कहता हूं कि पुलिस ने कुछ भी किया हो, क्या इस प्रकार से किन्हीं आदमियों को जला देना कोई मुनासिब है और फिर इसकी वकालत सदन के सामने की

जाय यह मेरे ख्याल से बड़े शर्म की बात है। मैं समझता हूं कि जब तक हमारा शासन सख्ती से, बहुत सख्ती के साथ, इस प्रकार के प्रदर्शनों पर रोक नहीं लगायेगी तब तक ठीक नहीं होगा, यह कोई आजादी का, यह कोई हमारे फंडामेंटल राइट्स का, यह कोई हमारी स्वतंत्रता का द्योतक नहीं है कि हम इस तरह की हिंसात्मक कार्यवाही करें। हमारा यह कर्तव्य है, मैं शासन से अपील करूंगा, कि इस प्रकार के कानून निश्चय ही बनाये जाने चाहिये। हमारे जो नेतागण हैं अनेक संस्थाओं के वह हाउस में बैठ कर तो दूसरे प्रकार की बात करते हैं और बाहर जनता में न मालूम किस प्रकार का वातावरण पैदा करते हैं जिससे कि इस प्रकार की घटनाएँ होती हैं, तो इसको रोकने के लिये हमें किसी को जिम्मेदार बताना है। जब प्रदर्शन के बारे में पहले से इत्तिला मिल जाती है तो उसकी रोक करना, उसके जिम्मेदार आदमियों पर कोई पाबन्दी लगाना मैं समझता हूं कि कोई अनुपयुक्त बात नहीं है। मैं शासन से अपील करूंगा कि निश्चय ही वह कुछ कानून जरूर बनाये जिससे कि इस प्रकार की घटनाएँ हमारे देश में न हो सकें। हमने बहुत कुछ बंगाल में नमूना देखा, पंजाब में नमूना देखा और दूसरी जगह ऐसी बातें देखी हैं तो मैं समझता हूं कि जब तक शासन बहुत कड़ा रुख अख्तियार नहीं करेगी तब तक महज मीठी मीठी बातों से या इन लोगों से सलाह करने से जो कि इस प्रकार के कार्य करते हैं, इस प्रकार के प्रदर्शन करते हैं, कुछ नहीं होगा, उनको पास बैठा कर समझाने बुझाने से कोई कार्य हो सकेगा इसकी मुझे उम्मीद नहीं है। जब इस हाउस में इस प्रकार की बात आती है तो मुझे ऐसा मालूम होता है कि शायद इंसानियत का तकाजा भी इनको इस बात पर मजबूर नहीं करता कि वह सही रास्ते पर सोचें विचारें। हमारे संविधान में इस प्रकार का हमें अधिकार है कि एक पार्टी के शासन को आसानी से बदला जा सकता है बशर्ते कि हममें योग्यता

हो और हम योग्यता से काम करें तो निश्चय ही बदला जा सकता है लेकिन इस प्रकार की कार्यवाही कर के हम किसी एक पार्टी को नुकसान पहुंचाने का प्रयत्न करें यह कोई शोभनीय चीज नहीं है। तो मुझे अर्ज करना है कि इस बारे में काफी तवज्जह देने की आवश्यकता है।

कृषि के बारे में, खाद्य के बारे में, केन्द्र की जो भी नीति हो उसका मैं हमेशा ही समर्थक रहा हूँ लेकिन मेरा यह अर्ज करना है कि खाद्य नीति में जो हम जोन कायम करते हैं उसकी क्या व्यवस्था रहती है उसमें किस प्रकार से कार्य होता है इसकी ओर हमें देखने की आवश्यकता है। आप यह देखें कि एक परगने से दूसरे परगने में, एक जिले से दूसरे जिले में, एक राज्य से दूसरे राज्य में अनाज जाने का प्रतिबन्ध लगाया जाता है, आप प्रतिबन्ध लगाइये लेकिन उसे मँनेज तो करिये। एक ही राज्य में 15-15 या 20-20 रुपये क्विंटल का फर्क रहता है और एक राज्य से दूसरे राज्य में जो अन्तर रहता है वह तो बताया ही नहीं जा सकता। एक राज्य से दूसरे राज्य को गल्ला देने की जब बात करते हैं तो अभी एक बात मेरे सामने आई कि हमारे जिले से गुलाबी चना गवर्नमेंट ने सोसाइटीज की मार्फत व्यापारियों और किसानों को मजबूर कर के 85 और 90 रुपये क्विंटल के भाव में खरीदा और फिर वह बम्बई में जा कर 205 रुपये क्विंटल के भाव पर बिका। आप गौर फरमायें कि 100 या 110 रुपया फी क्विंटल का मुनाफा उठाया जाना किसानों के सिर के ऊपर किस तरह से मुनासिब है। इसकी कोई दलील नहीं। वह गुलाबी चना इस प्रकार का है कि आज लाखों बोरे सड़ता है निकासी न होने की वजह से और वह जिस राज्य में होता है वहाँ उस राज्य में उस की आम तौर पर आवश्यकता नहीं है, दूसरे राज्यों में वह आसानी से जा सकता है लेकिन वहाँ उसको जाने नहीं दिया जाता और फिर स्टेट बेसिस पर जब वह जाता है तो यह दिक्कत होती

है जैसा कि मैंने कहा। तो मेरा निवेदन है कि इस बारे में अवश्य विचार होना चाहिये।

(Time bell rings)

मैं दो-चार मिनट और समय लेने की कोशिश करूंगा।

उप सभाध्यक्ष (श्रीमती ताराबाई साठे): सिर्फ दो मिनट और लीजिये।

श्री राम सहाय : शिक्षा के सम्बन्ध में मुझे अर्ज करना है कि हमारे यहाँ इंजीनियरिंग कालेजें, मेडिकल कालेजें इत्यादि बहुत से खुल गये हैं। इंजीनियरिंग कालेज का मुझे कुछ थोड़ा सा अनुभव है। उसके बारे में मेरा यह निवेदन है कि उसमें दो तीन बातों की तरफ हमारा शासन अगर ध्यान देगा तो निश्चय ही अच्छा होगा।

एक तो इंजीनियरिंग कालेजें जो खोले गए हैं उन्हें अभी तक बिलडिंग के लिये होस्टल के लिये, स्टाफ क्वार्टर के लिये रुपये की स्वीकृति नहीं मिली। ये कई बातें हैं। टीचर्स के वास्ते स्टाफ क्वार्टर्स के लिये यह कहा जा सकता है कि इस वक्त नहीं है लेकिन उसमें दिक्कत यह होती है कि टीचर्स टिकते नहीं हैं, आते हैं, एक महीने दो महीने रह कर चले जाते हैं। तो विशेष रूप से बिलडिंग के लिये, होस्टल्स के लिये, प्रबन्ध करना चाहिये और सबसे बड़ी चीज यह है कि इक्विपमेन्ट के लिये पैसा नहीं है और जो पैसा है उससे दूसरे देशों से इक्विपमेन्ट आ नहीं पाता है। उसकी वजह से कालेजें को बहुत नुकसान पहुंचता है, विद्यार्थियों को नुकसान पहुंचता है और उसके बारे में अवश्य ध्यान रखना चाहिये।

(Time bell rings)

एक और बात अर्ज करके खत्म करता हूँ। इंजीनियरिंग कालेजें में भर्ती करने के लिये काउन्सिल का यह ठहराव हो चुका है कि उनमें हर एक राज्य में बाहर से कुछ

(श्री राम सहाय)

विद्यार्थी लिये जायं । इसके बारे में आज कई सालों से प्रयत्न करने के बाद, अभी मुझे एक प्रश्न करने पर यह उत्तर मिला है कि 13 राज्यों ने उसे स्वीकार कर लिया है । मेरी अर्ज है कि इस प्रकार की जो स्वीकृति है उसको अमल में लाना कम से कम इस वर्ष शुरू हो जाय तो ज्यादा अच्छा है । मैं तो यह अर्ज करूंगा कि अगर किसी प्रकार से राज्य इसको नहीं कर सकते हों तो जो संस्थायें स्वतः इसको करना चाहती हैं उनको इस प्रकार की स्वीकृति मिलनी चाहिये ।

SHRI S. SUPAKAR (prim): Madam Vice-Chairman, I thank you very much for giving me a chance to speak on the Budget. When the Railway Budget was discussed here it was characterised as an election-oriented Budget, because there was no increase in fare or freight to any remarkable extent. When the Finance Minister had to propose an addition of Rs. 101 crores, he characterised his General Budget as a production-oriented Budget. I hope he was not using this term in any apologetic sense because I think there is no need for him to be apologetic. In view of the fact that ours is a developing economy and in view of the fact that we need a huge amount of money to meet our defence requirements, there is ample justification for the imposition of an additional amount of taxation. This morning there was a news item that in spite of the Tashkent Declaration, there has been a military build-up by Pakistan on the Rajasthan border. I *do not* know how far that news is correct. I hope it is not, but there can be no gainsaying the fact that we must be vigilant to a very remarkable extent, at least on account of the threat to our northern borders. Now, when we come to the economic problems that face our country, we find that there are very grave and very chronic problems. They can be divided into four categories.

The first and foremost and the most important which causes the greatest headache to all of us is the problem of self-sufficiency in agriculture and so long as we are not able to be self-sufficient in agriculture, we know that we have to import a large quantity of food-grains from outside. Otherwise, it creates a number of difficulties internally by way of agitations.

The second problem is the problem of planning and industrialisation, the problem of take-off, which has eluded our grasp for a number of years. By the end of the Second Five Year Plan we hoped that we would be having a self-generating economy in the near future. But although we are on the threshold of the Fourth Five Year Plan, we are not sure that we shall be able to attain that goal in the near future.

The third problem is the problem of holding the price-line and the fourth problem, to my mind, which is also very important, is to keep up the prestige of the rupee.

I shall be dealing with these four problems one after another. I shall, first of all, take up the problem of agricultural production. Unfortunately we find that, so far as agricultural production is concerned, we do not know where we stand, in spite of the passage of three Five Year Plans. I am afraid that our statistics do not give a real picture of the situation because we are fed by different kinds of statistics, from time to time, which give us, a distorted and rather inaccurate picture of internal production and of growth. Experts tell us that during the first two Five Year Plans, if our agricultural production had grown at the rate of 5 per cent per annum, we could have attained self-sufficiency, but it could not proceed on that pace. It grew at the rate of 3.6 per cent, and there had been a shortfall. I do not know how far that assertion of eminent planners like Dr. V. K. R. V. Rao is correct, but whatever that may be we find that a failure of monsoon, as it happened this year, has thrown our economy completely out of balance.

Now, we find that the community development programme was started right from the First Five Year Plan, but somehow or other it has not clicked. Similarly, we find that about five years ago, the intensive agriculture district programme was started, but unfortunately, that programme also, which is of a selective nature, is larded too much, in my opinion, with file work and red-tape. Co-ordination and planning is more confined to paper and speeches than being reflected in field work. Agriculture, as an occupation, does not have the respect that it deserves. We find that, although we talk a lot about providing better seeds, irrigation and manures and we hoped that in the course of five years India would be self-sufficient, it has not been achieved. Unless we educate our farmers in better production methods, this hope may not be fulfilled. Therefore, it is necessary that we must educate our farmers. Having regard to the illiteracy that prevails in our country and the orthodox nature of our agriculturist, we must see that our agricultural programme is not merely a hot house plant. It should take deeper roots in the soil.

5 P. M.

Therefore, it is necessary that we must change the pattern of our education at least so far as the mofussil area is concerned and spend more money in establishing agricultural schools in villages so that they may give the agriculturists the impetus and the necessary education and the know-how of the use of manure and other things, so that scientific agriculture may take deeper and deeper root in the country. Unfortunately, the criticism that is levelled is that too much dependence on PL 480 loans has made us dependent, too much dependent on foreign countries for our food and has not induced us to think deeply about how to attain self-sufficiency in agriculture in the shortest possible time.

Now coming to industry and planning, I think that the main defect in us is that our industrial programme, so far as the public sector is concerned, has not suffi-

cient amount of cost-consciousness in it. No doubt we have had gigantic projects. When they started, the cost was moderate. The return was supposed to be adequate, but as the projects are worked, we find that the cost increases. The time for completion is long, the production is inadequate and delayed and therefore consequently the return is low and the take-off stage is delayed, and therefore that also contributes to the increase of our loan both internal and external. These factors are associated with the administrative pattern of our country. Our country had been ruled by what is called the "steel frame" who used to know very well the problem of keeping law and order. But we have not yet geared our administration to the problem of planning, to the problem of production. Therefore, when we talk of having a production-oriented economy, we must see that the officials who are in the administration side and the officials who are in the production side know their business and are not too much tied down with red tapes or by procedures but develop the science of technocracy to the fullest possible extent so that there is no waste, so that there is no delay, so that adequate return is ensured, so that the task that is given to those people, to the persons in authority, of the different cadres, those persons discharge their responsibility to the fullest extent. Unless that is done, I think, it is high time that the Government should think of some machinery whereby the efficiency of (the person in authority should be judged not by the hours of work that he puts in but by the production. That should be the proper interpretation of converting this economy into a production oriented economy.

THE VICE-CHAIRMAN (SHRI MATI TARA RAMCHANDRA SATHE) : You wind up now.

SHRI S. SUPAKAR: I will take only five minutes more.

THE VICE-CHAIRMAN (SHRI MATI TARA RAMCHANDRA SATHE) : No five minutes.

SHRI S. SUPAKAR : May I continue on Monday ?

THE VICE-CHAIRMAN (SHRI MATI TARA RAMCHANDRA SATHE): You finish it now. Finish it in two minutes.

SHRI S. SUPAKAR: I should be given at least fifteen minutes.

THE VICE-CHAIRMAN (SHRI MATI TARA RAMCHANDRA SATHE): You have already taken fifteen minutes.

SHRI S. SUPAKAR: Because the production is not adequate, I think the consequence is that we are not able to hold the price line and therefore the prices go up. The natural consequence also is that there is always a talk in foreign countries about the problem of devaluation of the rupee. This talk of devaluation should be resisted and our economy must do everything possible to keep up the prestige of the rupee.

I have one or two suggestions to make before I finish. The Government must do everything in its power to see not merely that these additional levies are imposed but also that so far as the realisation of the taxes is concerned it is given adequate weight. I am speaking of the State of Orissa as an example. [It is tagged on to the tail end of a Circle which consists of Bihar and Orissa, and on account of this fact alone the amount of income-tax that could be derived from that State is not adequately realised. Recently, an additional district was created in respect of Rourkela, and that increased the realisation of income-tax from West Orissa from

Rs. 60 lakhs to more than Rs. 1.20 crores. More and more industrial projects are coming up, and therefore, it is necessary for the Government to see that wherever these new industrial projects are coming up, the tax collection machinery should also be geared up. The traditional way of thinking that because a certain area was backward it should always remain backward, should not be the proper attitude of the Government, and therefore, it is necessary that this matter should be duly considered.

I thank you for giving me a chance to speak. Lastly, there is one more point, Madam. Although these new imposts are not very objectionable, I will speak on only one thing. This excise duty on diesel oil, I think, will not merely affect the entire population of the country who are using this diesel oil in bus services and for agricultural implements but I am afraid it will have its repercussion next year in the Railway Budget because with the process of

of our Railways, although I am not an astrologer, this will have the effect of increasing the railway fare and freight next year. Therefore, this problem should also be reconsidered.

THE VICE-CHAIRMAN (SHRIMATI TARA RAMCHANDRA SATHE): The House stands adjourned till 11 a.m. tomorrow.

The House then adjourned at ten minutes past five of the clock till eleven of the clock on Friday, the 18th March, 1966.